

# ROUTE IN ENVELOPE

SAC, Chicago (134-46 Sub B)

5/4/67

Director, FBI (100-428091)

1 - Mr. R. C. Putnam

**SOLO**  
**INTERNAL SECURITY - COMMUNIST**

Reurairtel 4/28/67 which enclosed an informant statement captioned "Discussion With Representative of Security Branch, International Department, Central Committee, Communist Party of the Soviet Union, January, 1967."

You should insure that pertinent information set forth in this informant statement is furnished the Washington Field Office under the caption of [redacted] This information should be suitably paraphrased in order to fully protect the identity of the source. No mention should be made of the Solo Mission nor of the discussion by CG 5824-S\* with the Soviet official.

b6  
b7c

1 - New York

RCP:dmk  
(5) *drive*

NOTE:

In January, 1967, CG 5824-S\* was informed by a Soviet official that Gus Hall, General Secretary, CPUSA, had indicated to the Soviets that he had many contacts in the Washington, D.C., area and elsewhere. Subsequently, Hall identified one [redacted] President, Georgetown Graphic Art Gallery, Inc., 3207 D Street, Northwest, Washington, D.C., as an individual whose name could be provided to the Soviets as a reliable individual. Instructions are being given to Chicago to assure that information is made available to WFO, which covers [redacted] residence so that necessary investigation can be conducted and that the security of the Solo Operation is not placed in jeopardy.

b6  
b7c

MAILED 25  
MAY 3 1967  
COMM - FBI

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

REC 48

*100-428091-6235*

MAY 4 1967

ST. 104

65 MAY 11 1967

MAIL ROOM

TELETYPE UNIT

# ROUTE IN ENVELOPE

Date: 4/24/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO  
IS-C

ReNYtel, 4/20/67, containing "highlights" of NY 694-S\*'s trip to Moscow and NYairtel, 4/21/67, reporting contacts with the Soviet "VLADIMIR."

On 4/24/67, NY 694-S\* furnished further information concerning his contacts with "VLADIMIR" in Moscow:

Referring to receiving radio messages from Moscow and the use of new signal operation involving the television set (see referenced airtel), VLADIMIR inquired where specifically NY 694-S\* now resides. The source advised that he now has an apartment at 79-11 41st Avenue, Queens, New York City. VLADIMIR stated that he was well acquainted with that neighborhood--in fact, that he remembered the particular building where the informant lives, since he himself, while in the USA, had lived not too far away on Ithaca Street. VLADIMIR expressed the opinion that radio reception in the source's new apartment should be excellent and he stated that the source should make some attempt to utilize the radio in combination with a hi-fi set in which it could be concealed.

There was discussion about the feasibility of receiving Soviet radio messages somewhere on Long Island, the source stating that he thought the South Hampton area

- 1 - Bureau (RM)
- 1 - Chicago (134-46-Sub B) (AM RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 100-134637 (41)

REC 4 100-428091-6236

6 MAY 4 1967

ACB:msb  
(7)

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 MAY 11 1967 Special Agent in Charge

NY 100-134637

would be excellent. VLADIMIR replied that he was familiar with the South Hampton area but particularly liked the Shelter Island section, particularly that part "across from Shelter Island on the Greenport side." He emphasized the necessity of guarding the radio apparatus "day and night."

VLADIMIR and the source worked many hours in revising key names in the "open code" used in the radio communications. VLADIMIR took the revised list, as prepared by him and the source, and said that after adding more words to it, he would have it delivered to the source in the United States.

VLADIMIR instructed NY 694-S\* that hereafter, when the Soviets ask for telephonic acknowledgment of a radio message, said acknowledgment be made at 5:05 PM instead of at 7:05 PM, as was done previously. During the summer months he instructed that personal contacts should be made at 9:05 PM instead of 8:05 PM.

With respect to dates concerning arrivals, departures, personal contacts, drops, radio messages containing such information will set out a date followed by the letter "R"--for example, "May 10 R." This date is to be interpreted as May 7, the rule being to subtract three from the date appearing in the message. The source should pay particular attention to the fact that this rule does not apply to flight numbers, although it does apply to dates set out with respect to flights.

To replace the Wall Street tape operation, which is no longer considered secure, but which will continue until a new system is in effect, VLADIMIR proposed the following:

The source should pick a girder under the IRT Flushing Subway Line, anywhere between 82nd and 74th Street on Roosevelt Avenue, on either side of the street, or around the area of Junction Boulevard, which can be used as the place where a tape signal operation can be put into effect. A Soviet will drive through this area and will look for a tape on the girder, which is to indicate that a contact

NY 100-134637

(personal or drop in accordance with the type of tape used) is to be made on the following day. The types of tape used will be of the same kind currently used in the Wall Street tape operation.

When this girder is chosen, the source is to take a picture of it and forward the said picture to the Soviets, giving them a description of the area wherein it is located.

VLADIMIR stated that in his opinion it will be soon unnecessary for the CPUSA to secure Soviet visas in the USA. Details concerning this, he said, are presently being worked out. All that will be necessary in the future, he hopes, is that the Soviets be advised that particular individuals will leave the USA for the Soviet Union.

With respect to Soviet consulates in the United States, VLADIMIR said that he was not sure at the moment where such consulates will be located, though it is extremely likely that they will be in San Francisco, Chicago and New York. He stated he was not too certain about New York, "since we have the Amtorg Trading Corporation there." He said that Chicago is under discussion but as yet he has heard nothing definite with respect to Chicago in this connection. VLADIMIR stated that in the beginning we must be most certain "not to abuse the consulates." He said we have to be "well behaved in this matter." He also stated that in the beginning it can be anticipated that these consulates will be watched very diligently by the FBI.

In the event that Chicago and New York be chosen as sites for consulates, VLADIMIR stated that it is important that, until visas no longer be necessary, only two CPUSA representatives from Chicago and two CPUSA representatives from New York be contacts with the aforesaid consulates for the purpose of securing the visas.

Upon being asked whom he would suggest as contacts in this regard, NY 694-S\* recommended that in Chicago MAX WEINSTEIN and JACK KLING be utilized, and that



NY 100-134637

in New York, LEM HARRIS and ARNOLD JOHNSON perform this function.

Retel reflects that VLADIMIR desires to make contact with the source in countries other than the Soviet Union for purposes other than technical training. The Soviet stated that such contacts could be made in the following places: Geneva or Lucerne in Switzerland, where there are numerous international conferences or conventions held during the course of a year, Finland, Vienna, Austria, Morocco, Lebanon, Tunisia, Yugoslavia. He further broadened the scope of places of contact to include "all friendly socialist countries, for example, Czechoslovakia, Hungary, Romania, Bulgaria and Poland."

VLADIMIR asked the source to obtain answers to the following questions: How does an American living abroad avoid paying taxes and how can he "get away" with it? What is the law on this matter? What are the laws of the United States with respect to an American leaving the country to avoid the draft? Can they? Do they? Can they return, and when? What is the Statute of Limitations in such cases, past and present?

As reflected in retel, VLADIMIR stated that the Soviets are very much impressed by [redacted] VLADIMIR stated that with respect to [redacted] he had "looked him over very carefully" from a distance. He was familiar with every meeting that [redacted] had with the Soviets while in the Soviet Union. Any data obtained from this source will be most important to the Soviets. He stated that the Soviets desire to meet [redacted] on May 26 or 27, 1967, at the Hotel Versailles, 7200 Sherbrooke East, Montreal, Canada. b7D

VLADIMIR expressed much disappointment that NY 4309-S\* did not accompany NY 694-S\* to Moscow and asked the reason therefor. NY 694-S\* replied that NY 4309-S\* could not come since he was working with CG 5824-S\* in a matter concerning detection of telephone taps to determine whether the FBI is bugging the Party. NY 694-S\* stated that he hoped that possibly in late summer or early fall, NY 4309-S\*

NY 100-134637

would be able to go to Moscow for contact with VLADIMIR.

VLADIMIR stated that they desire that NY 4309-S\*, whose code name hereafter is to be "FORD"; come to Moscow to become acquainted with technical equipment and various technical operations. They would like to "look him over." NY 694-S\* told VLADIMIR that NY 4309-S\*'s becoming active in the operation is still subject to his being approved by GUS HALL. He explained that owing to circumstances beyond his control, HALL as yet has not interviewed NY 4309-S\*. NY 694-S\* explained to VLADIMIR that when NY 4309-S\* does become active in the radio operation, he would not be familiar with the ciphers and codes used in the Soviet messages, but would perform the mechanical operation only with respect to receiving the Soviet messages.

VLADIMIR called to the source's attention the necessity of staying away from all Embassies and Missions, particularly the Cuban, because he said these people are "inexperienced and always getting into trouble." He further described the Cubans as "wild men."

VLADIMIR advised NY 694-S\* that in time he would receive a new "television tape recorder" to be used in connection with the micro-transceiver and also more "red gammas", only 137 of which have not been used to date.

VLADIMIR stated that the Soviets were very disappointed that the CPUSA as yet has not set in operation the laundry which is to be used for the transmittal of Soviet money to the United States. The source told him that this was a very complicated and difficult problem, about which he had not been consulted by "the political comrades" who had agreed to obtain such a laundry. The source told VLADIMIR that the latter should understand this matter since VLADIMIR very likely had similar problems. VLADIMIR replied, "I can well understand your position because I am security comrade in charge of such work for the Central Committee."

NY 100-134637

NY 694-S\* pointed out to VLADIMIR the numerous problems concerned, with respect to obtaining a laundry, particularly the site thereof, and such problems as entering into contracts for many operations concerning the maintenance of a laundry.

VLADIMIR and the source then discussed the possibility that a business other than a laundry might be used. VLADIMIR stated that it was not absolutely essential that the business be a laundry, but it should be such that the same kind of contact could be made as could be made in the use of a laundry. He mentioned that a "gift shop" might serve the purpose.

With respect to where such a business should be located, VLADIMIR said that the area of 82nd Street and Broadway would be a good place. He also mentioned the areas of Kew Gardens and Jamaica on Long Island. He further stated that this business, whatever it might be, should be located on the ground floor of a building and should be in the area where Soviet personnel reside.

VLADIMIR said that the Soviets had hoped that the laundry operation would be ready for the next transmittal of the Soviet money to the CPUSA, but since it would not be, the money delivery would have to be made, as previously, outdoors.

NY 694-S\* had been told by VLADIMIR that he did not favor the use of parking lots for personal matters. *CONTACTS.* On questioning the Soviet in that regard, he was told that in many parking lots television cameras are in operation both day and night. According to VLADIMIR, there are television cameras on subway stations and in "other strategic places" in New York City. The source inferred from what VLADIMIR said that the latter meant that the FBI was operating the aforesaid television cameras.

VLADIMIR told the source not to be misguided by what he may have been told with regard to preventing the

NY 100-134637

FBI from hearing what is being said in a room. He said the theory prevails that if water is run or other noises made in a room, a bugging device would not be able to pick up the conversation. He said that is no longer true, in that there are now devices which "filter" such outside noises and permit the bugging device to pick up a clear message.

VLADIMIR also mentioned that the Soviets are very interested in keeping close contact with the wire expert, BERNARD SPINDEL, and he said that the Soviets will pay "any amount of money" for anything that would be useful to them as regards "bug detection."

VLADIMIR also told the source to be extremely careful when reading or writing a document within a room. He said that the FBI has been successful in placing tiny television cameras in the upper sections of a wall and that these television cameras can be focused on a document that anyone has in his hands. He said that the way to combat this FBI operation is to conceal the document with the body or to place it against a wall, out of focus of the television cameras.

Interview of this source is continuing. Further information will be furnished to the Bureau and Chicago as soon as available.

# ROUTE IN ENVELOPE

Date: 5/1/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: 6 SOLO  
IS-C

*Handwritten:* 5-1500

In connection with NY 694-S\* recent trip abroad he has submitted a bill in the amount of \$627.20. Of this amount \$325.20 represents the difference between the cost of plane tourist accommodations from New York to Prague, Czechoslovakia, and return to New York, and the cost of first class accommodations for the said trip. The CPUSA, according to NY 694-S\*, assumed responsibility only for tourist accommodations which amounted to \$526.30. NY 694-S\* stated he paid \$851.50 for first class accommodations for himself.

For security reasons, NY 694-S\* purchased, for use on the trip, a top coat costing \$65.00, a suit costing \$100.00, and two suit cases costing \$38.00.

An itemization of expenses for which the informant requests reimbursements for his trip from New York to Moscow (4/2/67 - 4/18/67), is as follows:

Plane fare from USA to Europe and return	\$325.20
One topcoat	65.00
One suit	100.00

REC 48

- 3 - Bureau (100-428091) (RM)
- 1 - New York (134-91) (INV) (41)
- 1 - New York (100-134637) (41)

*Handwritten:* 100-428091-6237

JFL:gmd  
(6)

ST 104

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 MAY 11 1967 Special Agent in Charge

*Vertical handwritten note:* 5/3/67 2:30 PM 694-S\* Bill in the amount of \$627.20

NY 100-134637

Two suit cases	\$ 38.00
Hotels and meals while abroad	<u>99.00</u>
Total	\$627.20

The NYO requests that it be authorized to pay to NY 604-S\* as reimbursement for the aforementioned expenses the sum of \$627.20.

FBI  
ROUTE IN ENVELOPE  
Date: 5/1/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO  
IS-C

Re New York airtel, 4/27/67, captioned as above,  
and New York airtel, 4/29/67, captioned, "FELIX ALDERISIO aka,  
AR".

On 4/28/67, AUSA [redacted] SDNY, advised  
that the first indictments arising out of the current  
investigation of manipulation of nine stocks on the American  
Stock Exchange will be postponed until at least 5/5/67.  
This delay has been forced since a wealth of information  
has been received from potential defendants and other  
witnesses that at least a week is necessary to digest and  
evaluate the information.

[redacted] stated he feels IRVING PROJANSKY and  
[redacted] are the two main culprits at the First  
National Bank of Lincolnwood, Chicago, Illinois, as far as  
hoodlum direction in the stock scheme is concerned. However,  
this remains unsubstantial at the present time. He stated  
the real focus of his investigation remains at the  
Lincolnwood Bank. He intends to probe the activities of the  
bank and its personnel with every resource he can command.

He stated that during the week of 5/1/67, both SEC  
and the Internal Revenue Service, which is interested in this  
matter, will confer. It is hoped that one of the results of  
this conference will be to bring sufficient pressure on IRVING  
PROJANSKY to force PROJANSKY to fully cooperate with this  
investigation.

- 3 - Bureau (100-428091) (RM)
- 1 - Chicago (Info) (RM)
- 1 - New York (100-134637) (41)

JJK:gmd

REC 48

100-428091-6238

(6)  
1-COB

*[Handwritten signature]*

Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

b6  
b7C

b6  
b7C

ST. 104

6 MAY 1 1967

65

3

FBI

Date: 5/4/67

Transmit the following in \_\_\_\_\_

**ROUTED TO**  
(Type in plaintext or code)

AIRTEL

Via \_\_\_\_\_

(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO  
IS-C

*Handwritten initials/signature*

airtel  
Re New York/5/1/67.

The NYO has learned, that, according to AUSA [redacted] SDNY, ~~it~~ it is not anticipated that any indictments will be handed down in the current investigation by the SEC of stock manipulations on the American Stock Exchange during the current week. The SEC, according to Mr. [redacted] will not permit indictments to be handed down until after close of business at the stock exchanges on a Friday, the reason being that the SEC does not wish to create any excitement on the stock exchanges during a business week.

b6  
b7c

No further information concerning the identity of anyone to be indicted has been reported to the NYO.

*Handwritten: 121-9104 949*

REC-28

*Handwritten: 100-428091-6239*

- 3 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46) (RM)
- 1 - New York (100-134637) (41)

MAY 8 1967

ACB:gmd  
(6)

Approved: \_\_\_\_\_

*Handwritten signature*

Sent \_\_\_\_\_

M

Per \_\_\_\_\_

Special Agent in Charge

MAY 11 1967



UNITED STATES GOVERNMENT

**ROUTE IN ENVELOPE**

# Memorandum

TO : SAC (100-134637)

DATE: 5/3/67

FROM : SA [redacted] <sup>b6</sup><sub>b7C</sub>

SUBJECT: SOLO  
IS-C

Information contained herein was obtained from [redacted] <sup>b6</sup><sub>b7C</sub>  
[redacted] on date indicated by SAS [redacted] <sup>b6</sup><sub>b7C</sub>  
[redacted] and Mr. [redacted] of the Central Intelligence Agency. <sup>b7D  
[redacted] is a confidential informant, contact with whom has  
been insufficient to establish his reliability.</sup>

There should be no dissemination of the contents <sup>b7D</sup>  
of this memorandum and information from [redacted] outside of  
the Bureau without Bureau authorization.

In the event KGB code names appear in this memorandum,  
they are not to be further disseminated.

The classification given any communication <sup>b7D</sup>  
prepared for dissemination outside the Bureau containing  
information from [redacted] will depend upon the nature  
and content of such information, each case standing on its  
own merits. Under no circumstances should a classification  
of less than "~~confidential~~" be utilized.

CAUTION MUST BE EXERCISED IN HANDLING INFORMATION <sup>b7D</sup>  
RECEIVED FROM [redacted] AND NO ACTION TAKEN WHICH COULD  
CONCEIVABLY JEOPARDIZE THE SECURITY OF THIS HIGHLY SENSITIVE  
INFORMANT.

- 1-Bureau (100-428091) (SOLO)
- 1-Bureau (105-40818) (TALANOV)
- 1-Bureau (100-47736) (JACKSON)
- 2-Bureau [redacted]
- 1-New York (105-14931) (TALANOV)
- 1-New York (100-16785) (JACKSON)
- 1-New York [redacted]
- 1-New York (Tickler)
- 1-New York (100-134637)

100-428091-  
NOT RECORDED  
MAY 9 1967

S. R. P. [signature]

CJJ:mfw  
(10)



6 MAY 11 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

NY 100-134637

On 3/7/67, source advised that during mid-1966, NIKOLAI M. TALANOV controlled two lines: Line "N", his main line, and "MARAT", which is the code name of one of the biggest CP chiefs in the U.S. and under which the whole operation of funding and the getting of letters is handled. The source was unaware of the name or position of the individual with the "MARAT" code name.

The source indicated there exists a list of between 200 to 300 names, which includes people, organizations and newspapers, all connected with the CP in the US. All of these real names have a code name assigned. This list is maintained in two ways: in one listing the code names are maintained in alphabetical order with the corresponding real names and in the other the real names are set out with the corresponding code names. These lists are kept by TALANOV in his special envelope.

The source said he knew the code name "MAPLE" was Mr. JACKSON, a Negro and correspondent for the Worker to the UN.

ROUTE IN ENVELOPE

SAC, New York (100-159365)

5/3/67

Director, FBI (100-446406)

1 - T. J. Deakin

TARPRO  
(INTERNAL SECURITY)

ReNYairtel, 4/28/67, concerning NY 694-S\* meeting with Soviets, concerning TARPRO documents.

As in the case of CG 5824-S\*, the informant should be given the impression we are vigorously investigating this "leak." Advise the informant the "leak" has been determined to be from the Navy, not the FBI, as CG 5824-S\* was advised.

Specifically, informant should be questioned in detail regarding the information furnished by the Soviets. Did "Vladimir" mention exactly the figures concerning, "The Worker?" Did he read the statement by Gus Hall mentioning the possibility of a third party candidate in 1963?

Also, ascertain exactly what was said about a difference of opinion between Hall, Henry Winston, and James Jackson on one side and Gil Green, Dorothy Healey, and Hy "Lerner" on the other. Also, what was the reference to the "old guards" about?

For the information of New York, there is a possibility this information is garbled; as none of the above were mentioned in any way in the TARPRO documents. Other matters reported by the informant were covered in these documents, although the dates on the documents are not correct.

New York should advise whether NY 694-S\* had knowledge of the above matters prior to his trip. Also, determine whether any of the above matters have been reported solely by CG 5824-S\*. The Bureau has taken precautions to insure information furnished solely by these informants was not included in TARPRO documents.

This matter should be handled expeditiously.

1 - Chicago (134-46-Sub G)

TJD:clb ell  
(5)

See NOTE page 2.

ORIGINAL FILED IN 100-1-6406-23

MAILED 6  
MAY 2 - 1967  
COMM-FBI

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

55  
MAY 11 1967  
MAIL ROOM  TELETYPE UNIT

DR  
TJD

Letter to New York  
Re: TARPRO  
Bufile: 100-146406 .

NOTE:

Tarpro is the code word for our long range program of furnishing misinformation to Soviet intelligence concerning the Communist Party, USA. During the last SOLO mission NY 694-S\* was told of the Tarpro documents by the Soviet in charge of security for the Communist Party of the Soviet Union, as was CG 5824-S\* on a previous mission.

UNITED STATES GOVERNMENT

ROUTE IN ENVELOPE

Memorandum

TO : SAC [redacted]

FROM : SA THOMAS D. J. BROOKS (2341)

SUBJECT: BARGIS  
ESP - R

DATE: 5/3/67

b7D

b6  
b7C  
b7D

Information contained herein was obtained from [redacted] on dates indicated by [redacted] of Central Intelligence Agency. [redacted] is a confidential informant, contact with whom has been insufficient to establish his reliability.

There should be no dissemination of the contents of this memorandum and information from [redacted] outside of the Bureau without Bureau authorization.

b7D

In the event KGB code names appear in this memorandum, they are not to be further disseminated.

The classification given any communication prepared for dissemination outside the Bureau containing information from [redacted] will depend upon the nature and content of such information, each case standing on its own merits. Under no circumstances should a classification of less than "~~Confidential~~" be utilized.

b7D

CAUTION MUST BE EXERCISED IN THE HANDLING OF ANY INFORMATION RECEIVED FROM NY [redacted] AND NO ACTION TAKEN WHICH COULD CONCEIVABLY JEOPARDIZE THE SECURITY OF THIS HIGHLY SENSITIVE INFORMANT.

b7D

- 1 - Bureau [redacted]
- 2 - Bureau [redacted]
- 1 - Bureau (100-428091) (SOLO)
- 1 - New York [redacted]
- 1 - New York (recler)
- 2 - New York (100-234637) (SOLO)
- 1 - New York

100-428091-  
NOT RECORDED

MAY 5 1967

*5-R. [signature]*

b7D

TDJ:cyb  
(8)

6 MAY 11 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

NY 65-24522

4/11/67

Source, in response to inquiry as to further identifying information concerning the five Negroes whose names were furnished by local communists to the KGB, New York Residency, stated that the only information he can add to this is that this was part of the "MARAT Operation". Source stated that TALANOV received this report and it was sent to Moscow.

Source previously described the "MARAT Operation" as being the KGB code name for the operation engaged in by the KGB New York Residency with a ranking official of the American CP in which money is furnished to the CP and letters exchanged in microfilm.

4/26/67

BEST COPY  
AVAILABLE

AIRTEL

REGISTERED

TO : DIRECTOR, FBI (100-445405)  
FROM : SAC, NEW YORK (100-159665) (41)  
SUBJECT: TARPRO  
(INTERNAL SECURITY)

ReCGairtel, 2/9/57, captioned as above, concerning U. S. Government documents being furnished to the USSR Embassy, Washington, D. C.

NY 694-S\*, who was in Moscow between April 5 and 17, 1957, advised that during a conference with one "VLADIMIR," a Soviet in charge of security for the CCCPSU, the latter told him that the Soviets had obtained from a source on the West Coast two "official FBI classified letters," dated, respectively, December 3 and 7.

VLADIMIR stated that he would read from these letters, which he kept in his possession, and did not permit the source to read, pertinent excerpts.

As the source recalls, the information in one letter concerned a political report by GUS HALL referring to the 1958 elections and the possibility of a third candidate; the necessity of raising \$100,000.00 for "The Worker" to overcome a \$40,000.00 1957 deficit; a report on civil rights; and a report on the black power movement.

The second letter contained an analysis of a CPUSA National Committee meeting, reflecting there were differences

10 - Bureau (RM)  
(1-100-428001)  
1 - Chicago (134-46-Sub B) (AM RM)  
1 - NY 100-159665 (41)

ACB:msb  
(7)

100-4-8-71-  
NOT RECORDED

APR 26 1967

NY 100-159665

of opinion between GUS HALL, HENRY WINSTON and JAMES JACKSON on the one side, and GIL GREEN, DOROTHY HEALEY and HY "LERNER" (HY LUMER) on the other. The second letter also contained a report by HENRY WINSTON on the domestic situation and on black power. The second letter also contained a reference to the National Committee's containing "too many old guards."

VLADIMIR desired to know from the informant whether the contents of these letters were accurate, and he said, "We are telling you about this to help you. We have helped you in the past."

According to the informant, VLADIMIR, at no time, indicated that he regarded these letters as other than authentic. He indicated that what he was concerned about was the accuracy of the information contained therein.

NY 694-S\* advised VLADIMIR that, in his opinion, the content of the letters was substantially correct, but that, in his opinion, the person furnishing the information was not "close" to the National Committee. Whoever had written the report was not familiar with the fact that the name HY LERNER is actually HY LUMER. The informant also stated that, to his knowledge, the words "old guards" are not used in the Party--that the Party expression for this idea is "old-timers."

The informant, by making the above reference to the fact that the person who authored the said letters was not close to the National Committee, hoped to make the point with VLADIMIR that CG 5924-S\* could not possibly have been the source of the information in the aforementioned letters.



# ROUTE IN ENVELOPE

UNITED STATES GOVERNMENT

## Memorandum

TO : SAC (100-134637)

DATE: 5/3/67

FROM : SA [redacted]

b6  
b7C

SUBJECT: SOLO  
IS-C

Information contained herein was obtained from [redacted] on dates indicated by SAS [redacted] and [redacted] and Mr. [redacted] of the Central Intelligence Agency. [redacted] is a confidential informant, contact with whom has been insufficient to establish his reliability.

b6  
b7C  
b7D

There should be no dissemination of the contents of this memorandum and information from [redacted] outside of the Bureau without Bureau authorization.

b7D

In the event KGB code names appear in this memorandum, they are not to be further disseminated.

The classification given any communication prepared for dissemination outside the Bureau containing information from [redacted] will depend upon the nature and content of such information, each case standing on its own merits. Under no circumstances should a classification of less than "Confidential" be utilized.

b7D

CAUTION MUST BE EXERCISED IN THE HANDLING OF ANY INFORMATION RECEIVED FROM [redacted] AND NO ACTION TAKEN WHICH COULD CONCEIVABLY JEOPARDIZE THE SECURITY OF THIS HIGHLY SENSITIVE INFORMANT.

b7D

- 1-Bureau (100-428097) (SOLO)
- 2-Bureau [redacted]
- 1-New York [redacted]
- 1-New York (TICKLER)
- 1-New York

100-428097-  
NOT RECORDED

141 MAY 5 1967

JJS:dsm  
(6)

b7D

*5 - R. [signature]*



6

MAY 11 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

BEST COPY AVAILABLE

NY 100-134637

"MARAT" Drop In  
Lower Manhattan

In a previous interview, source had advised that he believes he could locate on a map the approximate location of one of the drops utilized in connection with the "MARAT" operation, which he had described as involving the funding of the CP, USA, by the Soviets.

Upon being shown a map of lower Manhattan, source advised that one of the drops which had been utilized in the "MARAT" operation was located in the lavatory of a restaurant on Broadway which he marked on the map as located between Park Place and Murray Street, directly across from the City Hall Park. He did not know the name of the restaurant but indicated that the drop was located under the sink in the lavatory on the left hand side, where a magnetic container would be placed.

~~TOP SECRET~~

# ROUTE IN ENVELOPE

REC 46  
(IS) 100-428091

6240

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan

May 3, 1967

- 1 - Mr. C. D. Brennan
- 1 - Liaison
- 1 - Mr. R. C. Putnam

FIDEL CASTRO

The following was supplied by a source which has furnished reliable information in the past.

In early April, 1967, a leading functionary of the International Department of the Central Committee of the Communist Party of the Soviet Union (CPSU) made the following comments concerning Fidel Castro, Premier of Cuba.

Relations between Fidel Castro and the CPSU are now worse than ever. Castro has completely isolated himself from the CPSU. For example, when N. V. Andropov, a member of the Central Committee, CPSU, went to Cuba to see Castro, Castro refused to see him. As an excuse, Castro claimed to be too busy harvesting the sugar cane crop.

Castro has been insisting that Leonid Brezhnev, First Secretary of the CPSU, visit Cuba. Brezhnev has diplomatically declined to accept Castro's invitation. Castro refuses to accept this as an answer and has prepared a palatial mansion for Brezhnev's proposed visit. Despite the strained relations between Castro and the CPSU, relations between the Cuban and Soviet Governments continue on an even plane. The Soviet Government continues to furnish Cuba with aid amounting to over \$100,000,000 a year.

Castro considers the five most important countries in the world to be the Soviet Union, the United States, North Korea, North Vietnam, and Cuba. He is anxious to have Cuba become a member of the Warsaw Pact Bloc. Castro refuses to recognize any of the communist parties in Latin America. He believes there "must be a revolution starting from the mountains" in each country, and this belief is contrary to the position held by the communist parties in this area of the world.

RCP:dmk  
(1)

~~TOP SECRET~~

SEE NOTE PAGE TWO

GROUP 1

Excluded from automatic  
downgrading and  
declassification

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

65 MAY 11 1967

MAIL ROOM TELETYPE UNIT

SENT PER NOTATION ON MEMORANDUM

WCF

WCF

~~TOP SECRET~~

## FIDEL CASTRO

Castro does not maintain good relations even with his brother Raul, who, although still Defense Minister of Cuba, does not enjoy the same position in regard to the Armed Forces of Cuba which he held in the past. The family disloyalty exhibited by Castro's sister, who defected to the United States and then attacked Fidel Castro, is not understood by the Soviets. The Soviets would not be surprised if Fidel Castro "might do what his sister did."

The Soviets consider Fidel Castro to be a petty bourgeois intellectual, an adventurer and romanticist, and one who has "tantrums" if he cannot have his own way. They also consider his personal life reprehensible.

The above information was furnished the Communist Party, USA, as part of the line that the CPSU would like the Communist Party, USA, to project in the United States. Therefore, it may or may not represent the true attitude of the Government of the Soviet Union.

Because of the sensitive nature of the source which furnished this information, this communication is classified "~~Top Secret~~."

### NOTE:

Classified "~~Top Secret~~" since unauthorized disclosure of this information could reveal identity of the source (NY 694-S\*) who is of continuing value and such revelation could result in exceptionally grave damage to the Nation. Dissemination is being made by routing slip to the White House and the Attorney General. ~~TOP SECRET~~ This information is also being furnished to Department of State and CIA.

Data extracted from New York airtel 4/21/67, captioned "Solo, Internal Security - C."

See memorandum 5/2/67, C. D. Brennan to W. C. Sullivan, captioned as above, prepared by RCP:dmk.

~~TOP SECRET~~



UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. Conrad *JWC*

DATE: May 3, 1967

FROM : *C* F. Downing

SUBJECT: *O*  
SOLO  
INTERNAL SECURITY - C

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S\* who has been receiving communications transmitted to him by radio.

On 5/3/67, transmissions were heard by the Bureau's radio station at Midland at scheduled times and frequencies but no messages were transmitted.

ACTION:

For information.

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

HS:csp *exp*  
(7)

EX-110

REC 46

*100-428071-6241*

6 MAY 5 1967

*55*  
65 MAY 11 1967

# ROUTE IN ENVELOPE

Date: 5/1/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
IS-C

*Handwritten initials: B-6-100*

On 4/27/67, NY 694-S\* made available to the NYO two documents given to him in Moscow during April 1967, for transmittal to the CPUSA, by NIKOLAI MOSTOVETS, head of the North and South American Section of the International Department of the CCCPSU.

One document, written by A. BACHURIN, Deputy Chairman, USSR State Planning Commission, is entitled "The Current Stage in the Development of the Soviet Economy and Bourgeois Critics." This document is essentially an attempted refutation of an analysis of the Soviet economy by 29 American experts, writing in the official USA Congressional publication, "New Directions in the Soviet Economy."

Xerox copies of the aforesaid document are enclosed herewith for the Bureau and Chicago.

The other document, written by A. VOLKOV, Chairman, State Committee on Labor and Wages, USSR Council of Ministers, is entitled "On a Five Day Work Week." This document explains the advantages, social and economic, of a five-day work schedule.

Xerox copies of the above-described document are enclosed herewith for the Bureau and Chicago.

- 3 - Bureau (Enc. 2) (RM)
- 1 - Chicago (134-46-Sub B) (Enc. 2) (AM RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 100-134637 (41)

REC-75

62 42

ACB:msb  
(7)

10 MAY 9 1967

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

THE CURRENT STAGE IN THE DEVELOPMENT  
OF THE SOVIET ECONOMY AND BOURGEOIS  
CRITICS

A. Bachurin, Deputy Chairman, USSR  
State Planning Commission (Gosplan)

Captives to Traditions of Criticism of Planned Economy.  
Once Again on the Soviet Economy's Pace of Development.  
External Economic Successes of USSR and Reaction of  
Bourgeois Economists.

The whole of progressive mankind is this year celebrating the 50th anniversary of the first socialist state in history. V.I. Lenin wrote that as a result of the Great October Socialist Revolution a new, socialist world emerged "which is still very weak, but which will grow big, for it is invincible." Lenin's forecast has been corroborated by the entire course of historical development. Socialism in the Soviet Union has won out fully and finally, and a gradual transition to communism is being effected in it. Socialist revolutions have been victorious in many countries of Europe and Asia, as well as in Latin America - in Cuba. The socialist countries have enormous achievements to their credit, as well as great potentialities in the development of their economies, science, technology and culture.

A paramount role in the formation and development of the world socialist system, in the consolidation of its positions in the world economy, is played by the Soviet Union, a great socialist power with a tremendous economic and military potential and immense international weight. Regarding the building of communism in the USSR not only as their vital domestic affair but as their lofty internationalist duty, the peoples of the Soviet Union, under the leadership of the CPSU, are tirelessly strengthening the economic, political and military power of the world's first socialist state. There can no longer be any secret in the fact that the national economic plans of the USSR, the successes achieved by it, are the best agitator and best propagandist of socialism and communism among the many million-strong working masses of all countries.

The Soviet Union is guided by Lenin's well-known statement that a socialist country can best influence the world revolutionary process by its economic policy. After discussing the new economic development problems, the December 1966 Plenary Meeting of the CPSU Central Committee called upon all Party organizations, all Soviet people, by their creative labour further to multiply the economic and military might of the country, successfully to implement the great plans of communist construction mapped out in the Party Programme and the decisions of the 23rd CPSU congress, and fittingly to meet the glorious 50th anniversary of the Great October Socialist Revolution. Our country's economic successes, the development of its culture and science, the impro-

100-428091-6242

ENCLOSURE

ENCLOSURE



vement of the living standards of the masses, are all most important factors determining our country's influence and prestige in the international arena.

It is not by chance therefore that the course and prospects of development of the economy, science, technology and culture in the USSR are constantly in the focus of attention not only of the adherents of socialism but also of those to whom the socialist system is distasteful. A good example of this is the five-volume publication, "New Directions in the Soviet Economy," vol. I-V. Washington, put out by the U.S. Congress in July 1966 as an official document. The work was compiled by 29 American experts on Soviet economic problems employed in government offices, universities and private research organisations. The authors admit that their "Comprehensive research study" of vital problems of the Soviet economy "is designed to be responsive to the continuing interest of the (joint economic) committee and the Congress in objective factual data and relevant interpretative comment on the economic performance of the Soviet Union in comparison with other industrially developed nations of the world."

The congressional joint Economic Committee has for more than 10 years been studying the development of the economy, science, technology and culture in the USSR. Suffice it to say that already in 1955 the committee published a report headlined "Trends of Economic Development of the Soviet Bloc Countries as Compared with the Western Powers." Later reports covered such subjects as "The Economic Growth of the Soviet Union as Compared with the United States," (1957), "A Comparative Analysis of the Economies of the United States and the Soviet Union" (1959), etc. It is noteworthy that while giving a comparative analysis of the economies of the USSR and USA, in its first reports the authors sought to refute very nearly every figure of the Soviet official statistical publications pertaining to the ratio between the levels and rates of economic development of the USSR and USA, subsequently, due to our achievements in economics, science, technology and culture, they began to take a more realistic, even if still far from unbiased, view of the successes of the Soviet Union.

This time the Joint Economic Committee of the U.S. Congress set before the team of authors the task of examining the latest events in Soviet economic life from the viewpoint of: "a) the character and impact of current economic reform measures; b) the comparative standing of the Soviet Union among the major economies of the world; and c) the relative efficiency of resource allocation and utilisation in the USSR."

Let us see how these and other questions connected with the interpretation and assessment of the progress and prospects of Soviet economic development at its present historical stage are illuminated and treated by the American economists.

In pursuance of the task set by the Congress Committee the authors of the work closely examined the problems of the economic reform implemented in the USSR under the decisions of the March and September 1965 Plenary Meetings of the CPSU Central Committee approved by the 23rd Party congress.

In studying the problems of the economic reform the American exports laid much stress on the well-known theses of bourgeois propaganda about a "crisis in the planned socialist economy," the "employment" of capitalist management methods in the socialist economy, etc. They claim that Soviet economists have already recreated all the major features of bourgeois economic theory. One of the authors of the American publication regards the discussion in the Soviet Union of problems of effective cost accounting as a confirmation of this. Soviet economic literature, he writes, now openly accepts and discusses interest and rent; the role of demand in determining prices, hence also in industrial management, the basic function of profit, etc., and that such concepts as utility and public utility, etc., have come to the fore."

Perceiving and explaining the discussions among Soviet economists from the standpoint of bourgeois theory and methodology, the authors of the publication misinterpret also the essence of the economic reform. They even go as far as to assert that the reform aims at abolishing economic planning and establishing a market socialism. For them the whole question is to what extent and how soon market relations will be introduced in the Soviet Union. They substantiate their conclusions by references to the view of a group of Western observers who predict an evolutionary development of the Soviet Union in the direction of economic progress through the operation of the market, and "prophecy" that the present cautious reform will be followed by others going further in the same direction. Thus, whenever tension builds up between the new and the old systems the leadership will gradually increase the degree of flexibility of plan, prices and freedom of the enterprise until the plan finally disappears and is replaced by markets.

So we again encounter the same interpretation as was adopted in the West in recent years, both of the Soviet economists' discussions which preceded the economic reform and the essence of the reform itself. The bourgeois theoreticians' predictions that a crisis would break out in the centralised economic planning in the USSR and that it would inevitably make way for the market machinery, are nothing new. They have been made many times before on different occasions. As far back as the early twenties, when our country undertook the first plan of electrification, a very modest plan if measured by a modern yardstick, bourgeois propaganda foretold failure for the "Bolshevik experiment," "a return to normal" (from a bourgeois standpoint) methods of

capitalist management. Nor was there any lack of such prophecies about the prewar Soviet five-year plans and postwar economic development plans.

Life has made a laughing stock of all those forecasts and prophecies and stripped the prophets of their halo. The socialist economy has continued to grow bigger and stronger. Despite the dire consequences of the war of 1941-45, the national income in 1965 was nearly six times as big as in 1940, the gross industrial output almost eight times, production of electric and heating power more than 12 times, of chemicals 15.4 times, and of the engineering and metal working products 16.2 times. Capital investments in the Soviet economy during that period increased almost nine times. Prosperity standards of the whole population have also grown very appreciably, as is shown by the fact that state and cooperative retail trade during that period registered nearly 4.4 fold increase.

The main objective of the economic reform implemented in the USSR is to bolster up production efficiency, accelerate economic progress and improve living standards. It presages further development and consolidation of the major principles of socialism and socialist management methods. Both in agriculture and industry, the reform calls for more planning, so that not only the economy as a whole but every factory may have a clear picture of its prospects for years to come. With this in view each collective and state farm is given a five-year plan (with annual target figures) of state purchases, on the basis of which it is able to draw up its own production and financial plans. The September CPSU Central Committee Plenary Meeting decided that all factories and mills must also have realistic five-year plans. Such a task can be solved of course only if the scientific level of economic planning as a whole is raised, which, in turn, presupposes comprehensive and sound economic thinking, extensive use of computers, perfection of material and value balance-sheets. Hence, what we are concerned with is enhancing the significance both of the five-year and long-term plans.

A cardinal feature of the economic reform is to put the factories, farms, transport, building and other industries in conditions where they would be concerned to the maximum for the best use of material resources and manpower. How is this task to be solved in practice? Obviously, with the means of production publicly owned there can be no talk of resorting to the spontaneous operation of the market mechanism and free prices, as our critics see it. Were the Soviet Union to embark upon this path, it would indeed have meant a retreat to capitalist methods of economic regulation. But, it may be asked, why reject the socialist methods of regulating the development of the economy if they have proved their superiority to the spontaneously operating free market mechanism? Is there any need for us borrowing this mechanism from the capitalist countries, which are, at times, themselves inclined to dispense with it?

We all know of attempts by capitalist states to plan their economies. But these attempts have not produced any tangible results yet. This is only natural, as the planning method cannot display its advantages where the means of production are privately owned. Under public, socialist ownership there are no obstacles to a steady growth of the economy as a whole if it is ably and planfully directed. This is eloquently illustrated by the figures quoted above. But they do not represent the limit. Our country is still very far from having fully benefited by the advantages of a planned economy. For these advantages to be made better use of it is necessary closely to combine perfection of economic planning with broader initiative and independence on the part of the individual enterprises in drawing up and fulfilling plans. This requires strengthening the cost-accounting principles in industry and other branches of the economy.

It will be remembered that the first to stress the role and importance of economic accounting as a socialist method of management was V.I. Lenin. Cost accounting is based upon a proper combination of centralised planning with local initiative and has nothing to do with capitalist management methods. It must be said, however, that at some earlier stages, in view of certain conditions created in this country, cost accounting was weakened and did not attain its full development. So that now, with greater stress being laid on economic management methods, introduction of full cost accounting at the enterprises is becoming a matter of urgency. In practice, this means that in the course of the reform the enterprises begin increasingly to defray their expenses from their own incomes and that their power to distribute and use their income, including profit, is broadened. Part of the profit is used to establish economic incentives funds. Workers employed in factories operating under the new system are paid not only on the basis of their individual work but depending on the results achieved by the factory as a whole. They grow more interested in bigger profits and a higher rate of profitability for the factory because of this. As shown by the experience of the several hundred industrial enterprises transferred to the new system in 1966, such distribution of profit is in the interests of both the individual workers, the enterprise, and society as a whole. The earnings of the workers of those factories in 1966 substantially increased, part of them at the expense of the material incentives funds. At the same time the deductions from the incomes of these enterprises into the state budget also went up. The results of the operation of the enterprises transferred to the new system in 1966 show that they improved also their plan fulfilment as regards sales and profits: their sales were 10 per cent up on 1965, and profits almost 25 per cent.

It goes without saying that the greater degree of economic independence and initiative allowed to the factories applies not only to production but commodity circulation as well, and

also to the distribution and use of incomes. All these spheres of economic activity are closely interrelated. However, all of them continue to be subject to the operation of the plan, and the principle and planned prices fixed by government bodies, which has fully vindicated itself, continues to be consistently enforced. At the same time, under the conditions of the economic reform prices must reflect even more correctly the expenditure of labour and the production results, and stimulate technological progress and higher quality of output. In this connection a revision is being made of the level and co-relationship of wholesale prices.

The market mechanism of spontaneous regulation of prices, eulogised by advocates of the capitalist system, inevitably leads to a rising price tendency, to disproportions in economic development, and to more contradictions and conflicts breaking out. It is incompatible with public ownership of the means of production and socialist management principles. It was not by accident therefore that the main topic of discussion among Soviet economists in the pre-reform days was the planned fixing of a more equitable price level correctly reflecting the socially necessary labour expenditure in production, and the best means of stimulating scientific and technological progress.

The planning of our economy is thus being perfected in every direction. And it is in vain that the authors of the said American publication are trying to convince the reader that "the new direction in the Soviet economy" implies above all a gradual renunciation by the USSR of direct centralised state planning of the economy. Vain attempts! Nothing of the kind is taking place in reality.

Referring to the distortions in the assessment of our economic reform, L.I. Brezhnev, in his Report of the CPSU Central Committee to the 23rd Party Congress, noted: "The reactionary bourgeois press has said quite a lot recently about a "crisis" in Soviet economy. Some people even had the illusion that our latest economic measures represented a retreat from socialism. What can one say about this? These assertions are ridiculous from beginning to end. It is obvious to anybody that our unshakeable foundation has always been and remains public ownership of the means of production. We are not only retaining but improving the principle of planning in our economy."

That centralised planning of the Soviet economy is necessary has long been decided, finally and irrevocably, by both Marxist-Leninist theory and practice. In predicting that the centralised planning of the socialist economy would make way for its regulation by the market, the bourgeois economists are displaying a total failure to understand the meaning and essence of public ownership. "Socialism is inconceivable," wrote V.I. Lenin, "without a state planning organisation subjecting tens of millions of people to the most stringent observance of a single norm in the production and distribution of goods." Centralised direction

is an innate quality of the socialist economy. Even at the dawn of socialism Lenin wrote: "Communism demands and presupposes the utmost centralisation of large-scale production throughout the country". At the same time Lenin most earnestly warned not to confuse centralised planning of the economy with bureaucratism and stereotyped approach.

Based upon an understanding and rational application of the economic laws, centralised economic planning is essentially a method of direction quite alien to sheer economic administration. Proper application of economic laws is inconsistent with subjectivism and voluntarism. Arbitrary administration is a result of incompetence, of a dilettante approach to generalisation of the realities of life and disdain of theory. A truly scientific direction of the economy precludes it.

The increasingly social character of production where public property prevails, on the one hand inevitably leads to the enhancement of the importance of centralised planning of major indicators; and on the other, makes it vitally necessary to strengthen the participation of the broadest masses of workers, the factories and the business organisations in the planned direction of the economy. No matter how good the national economic plan may be, its implementation in a decisive degree depends upon the initiative of the factories; upon the drawing up and fulfilment of plans by them on a nationwide scale. This is why Lenin repeatedly stressed that the Alpha and Omega of economic direction must be a combination of centralised leadership with the broadest participation of the masses in economic work, the development of their initiative, and a full account of local conditions. "Unity in the main, in the fundamental, in the essential," Lenin wrote, "is not impaired but assured by diversity in details, in local peculiarities, in methods of approach to a question."

It is these statements by Lenin that now find a full and consistent application in the Soviet economy, which demands an optimal combination of centralised planning with initiative and independence on the part of the production collectives based upon the widest use of commodity-money categories, cost accounting and material incentives. Enforcement of cost accounting in all branches of material production and in the sphere of circulation; extension of the enterprises' independence, including commercial activity, fuller use of the value categories in economic development and economic stimulation of production, are all closely tied up with the improvement of planning. All these measures make it possible to strengthen the interest of the factories in working out sound, even if strained, plans. It must also be borne in mind that the strengthening of economic incentives with the aid of cost accounting, prices, profits, bonuses and other categories is done in an organised manner, in accordance with the aims of socialist production, and on the basis of its planful development.

A proper combination of centralised planning with extension of the initiative and economic independence of the enterprises open wide opportunities for more intensive development of production, speedier growth of productivity and rise of living standards. Of course, in the implementation of the economic reform the specific features of the different branches of the economy must be taken into account. With these features and the objective demands of the socialist economy in mind, the individual principles of the new system will be gradually perfected. But however those principles may be adapted to the needs of the different branches or stages of economic development, there can clearly be no talk of any weakening of the planning regulation, let alone its replacement by the spontaneous market mechanism. Hence, those talking of socialism in the USSR degenerating into a market socialism are indulging in wishful thinking.

Consistent improvement of the application of the laws and categories of commodity production, under which the role of wages, bonuses, profit, credit, prices, rent payment, wholesale trade in producer goods, trade in consumer goods, i.e., the sum total of commodity-money relations within the system of planned direction, is incompatible with the unleashing of the elements to the detriment of the national economy, to the detriment of the Soviet population, much as some of the bourgeois prophets would like to see us do this. The successful implementation of the economic reform in the USSR is of enormous economic and social significance. It marks a new, higher stage in the development of the socialist economy.

Familiarisation with the position of the authors of "New Directions in the Soviet Economy" on the economic reform in the USSR thus leads us to the conclusion that they do not go beyond the views and traditions that have become customary in bourgeois literature. In their assessments the American economists are even taking a step back from the statements made by realistically-minded bourgeois authors. It may be recalled that there is no lack of admissions and half-admissions in the Western press to the effect that the economic reform aiming at raising the efficiency of the economy, will make the Soviet Union "a more powerful competitor of the Western countries," and that it would be a mistake to hope for a "transformation" of the Soviet economy. It looks like the authors of the work undertook the risk of "predicting" for the n-th time the inevitability of the socialist countries abandoning the principles of economic planning. The historical experience of socialist economic development, together with an analysis of the prospects opening before it, leave no shadow of a doubt that these forecasts will share the fate of the other, equally unfounded and tendentious, speculations.

2.

The authors of "New Directions in the Soviet Economy" devote much space to an estimation of the achievements and prospects of development of the USSR economy. The American econo-

mists cannot of course completely ignore the Soviet Union's successes in various fields of the economy. They note, for instance, impressive progress by our country in developing the power and steel industries, modernising transport, and in some other branches of the economy. They also write about Soviet achievements in science and culture, and in medical care of the population. Nor do they gloss over the fact that the training of large numbers of highly qualified specialists - "the most active ingredients of economic development" - has enabled the Soviet Union to raise living standards and become a world power.

On the whole, however, the authors' analysis of the state and prospects of the Soviet economy has a clearly defined tendency. Comparing the pace and level of development of our economy, and defining the USSR's place in the world economy, the authors proceed from the thesis that while the Soviet Union substantially bridged the gap separating it from the USA in economic development, it has nevertheless been forced to give up its earlier objective - that of catching up and overtaking the most developed capitalist countries economically. The slogan, to catch up and overtake the USA, is no longer heard in the USSR, the authors contend.

These and similar contentions have nothing in common with the correct interpretation of the real trends and prospects of world development. The documents and decisions of the CPSU, including the materials of the 23rd CPSU Congress to which the authors make frequent reference, constantly reiterate that the economic competition between the USSR and USA, between the world system of socialism and the world system of capitalism, has not lost its urgency. Without going into detail, let us recall that in his report to the 23rd CPSU Congress A.N. Kosygin laid new emphasis on the profound significance of Lenin's observation that Communists regard the economic competition between the two systems as an historically legitimate process.

In all its reports periodically published since 1955 the Joint Economic Committee of the U.S. Congress has devoted much attention to comparing the pace of economic development in the USSR and USA, in the socialist countries and capitalist countries. There is nothing accidental about this. The champions of capitalism know full well that this pace is an organic ingredient of the growing economic and political power of the socialist countries, of their mounting prestige and influence in world affairs.

The question of the pace of development has been and remains a subject of special concern for the Marxist-Leninist Parties. A high and stable pace enables the socialist countries not only to put an end in an historically short space of time to the economic, scientific and technological backwardness inherited by them from the old regimes of exploitation, but to build a solid material and technical foundation of socialism and communism. A faster pace of economic development enables the socialist countries to make important gains in the competition with capitalism. The high and steady pace of economic growth of the socialist countries serves as a safe guarantee of world peace and a mighty catalyst of the world revolutionary process.



"The Soviet leaders," write the authors of "New Directions in the Soviet Economy," "have long prided themselves of the pace of development of their economic system. Up to the end of the past decade Western observers in both government and scientific quarters readily admitted that, abstracting ourselves from its many undesirable features, the Soviet approach to economic organisation had demonstrated a capacity for speedy growth."

In the half-century since the Great October Socialist Revolution the Soviet Union has made a qualitative leap from backwardness to progress, and has risen to a fundamentally new stage in the development of the economy, science, technology and culture. Suffice it to say that even as late as 1928, the USSR accounted for only 3.9 per cent of the world steel output, as compared with almost 20 per cent now. In 1928 the steel output of the USSR was only 8 per cent of that of the USA, in 1965 it was 75 per cent of that of the USA and far exceeded the output of steel of Britain, France and West Germany combined. In 1965 the USSR produced almost 20 per cent of the total world industrial output, as against less than 10 per cent in 1937, on the eve of World War II.

The successes in Soviet economic development, compared with that of the USA, have been made possible by the superiority of the socialist system, by the fast growth of all major branches of material production, unparalleled over such a protracted period by any capitalist country. It is also known that the total industrial output increment in the USSR was: 9.1 per cent in 1961, 9.7 per cent in 1962, 8.1 per cent in 1963, 7.3 per cent in 1964.

Table 1.

Rate of growth of industrial output in the USSR and USA (in %%)

	USSR	USA
Increase in 20 years: 1965 compared with 1945	863	203
Annual rate of growth, 1946 to 1965	11.4	3.6
Increase in 15 years: 1965 compared with 1950	458	191
Annual rate of growth, 1951 to 1965	10.7	4.4
Increase in eight years: 1965 compared with 1957	203	142
Annual rate of growth, 1958 to 1965	9.2	4.5

In an attempt to use to its own advantage these well-known facts, the State Department published, in its time, a special document titled "The USSR Stumbles in Competition with the United States."

The document cited estimates by bourgeois economists showing that in 1961-65, compared with 1956-60, the rate of growth of the gross national product in the USSR fell by almost a third. The "New Directions in the Soviet Economy" goes still further, asserting that "the pace of growth of the Soviet economy has been almost halved compared with the previous level," and that "events since 1958 have dashed the optimistic prospects, which have made room for a persistent search by the Soviet leadership of ways to ensure a continued advance of the Soviet economy."

Let us leave to the authors' conscience the assessment of the decline of the Soviet economy's progress in the final years of the seven-year plan. The bourgeois economists, it is known, have long and unsuccessfully "combated" the Soviet pace of growth by doctoring up the Soviet statistics to suit their purposes. The most vulnerable among their contentions is the conclusion about the "dashing of optimistic prospects" with regard to the further development of the Soviet economy. To begin with, it is self-evident that the retardation of the industrial advance in the USSR was only temporary in character. Already in 1965 industrial output in the USSR registered an 8.7 per cent gain, compared with 7.3 per cent in 1964.

The Directives of the 23rd CPSU Congress on the five-year plan of economic development for 1966-70 provide for a speedier rate of progress in the aggregate social product, national income and real earnings of the population, compared with those of the preceding five years. The aggregate social product is to show a 1.4 gain, fixed production assets a gain more than 1.5 times, including 1.6 times in industry and 1.9 times in agriculture. The national income is to increase by 38-41 per cent, and real incomes (per head of population) by 30 per cent.

The year of 1966 - the first year of the five-year plan - already brought a 7.5 per cent increase in national income, an 8.6 per cent gain in industrial output, and a 10 per cent gain in farming output. Particularly significant is the success in farming, which resulted from the important economic measures taken to boost collective and state farms production. The biggest grain harvest in Soviet history was grown last year. Collective stockbreeding too has now been placed on a sound footing. In this important branch of agriculture speedy progress has also been recorded. All this has made it possible to normalise trade in such goods as bread and bread products, butter, meat, vegetable oil, margarine, sugar, confectionaries, etc. Real incomes on a per capita in 1966 showed a 6 per cent increase.

In December 1966 the USSR Supreme Soviet passed a law on the economic development plan of the USSR for 1967 that is expected to mark a big step forward in the fulfilment of the five-year plan. All this is proof that the 1966-70 economic development plan of the USSR, providing for a stable pace of economic progress, is being successfully carried into effect. The plan targets, based upon a growing demand, the level already achieved by the economy and the

real potential for expanding social production, offer every ground for an optimistic evaluation of the further prospects of the country's economy.

These and other facts relating to the assessment of the pace of Soviet economic development remained outside the field of vision of the authors of the "New Directions." Their conclusions with regard to this pace seem to have been inspired by a desire to appease the congressmen and reassure them on the prospects of economic competition between the world's two leading industrial powers. It is apparently to fill this social order that the authors attempted to prove that the Soviet Union will practically never be able to catch up with the United States in economic development. Such claims have nothing in common with a correct understanding and estimation of the real tendencies of economic development of the USSR and the US.

It is no secret of course that the pace at which the Soviet Union has in the last three years been approaching the economic indicators of the U.S. has been somewhat slower than at the end of the fifties and beginning of the sixties and than had been expected at one time by some of the Soviet economists following the relative development of the socialist and capitalist countries. But this has not been due to any "crisis" of the Soviet economy, which, according to the figments of the bourgeois American economists, "grows like a snow ball from year to year." The economy of the USSR has advanced and will continue to advance faster than that of the U.S.

At the pace envisaged by the current five-year plan the USSR will by 1970 appreciably approach the present level of the U.S. in national income and total volume of industrial and agricultural output and exceed it in production of the means of production. Remembering that the USSR at present stands in volume of output about where the U.S. stood in 1951-53, it will be seen that the five year plan targets mark a big step forward in the peaceful economic competition with the U.S.: the Soviet Union plans to cover in five years a distance it took the United States the last 12-14 years to traverse.

There is no need proving that these and other estimates by Soviet economists lay no claim to absolute accuracy. It is difficult to calculate for many years ahead the economic development prospects of the USSR and USA at a time when science and technology are advancing at an extraordinarily fast speed causing colossal shifts in the structure of the national economy and changes in the nomenclature of goods produced. But the estimates provide an indication of the basic tendency determining the economic development of the competing countries. This tendency shows, as before, that time continues to work for socialism regardless of whether the authors of "New Directions in the Soviet Economy" like to admit it or not.

The concluding part of the "New Directions in the Soviet Economy" is devoted to an analysis of the Soviet Union's foreign economic relations. It deals with the development of the economies of the EMAC member-states; the forms and methods of their economic cooperation; and estimates the extent to which their industries specialise and cooperate. There is comprehensive information on the place, role and significance of the Soviet Union in the world market and the assistance given by the Soviet Union to the less developed countries. Special room is assigned to an analysis of the trade between the USSR and the United States.

Referring to the activity of the Economic Mutual Aid Council, the book says that "very little progress in intra-bloc economic cooperation" has been achieved and prophesies an even "darker future" for the economic cooperation of the socialist countries, explaining this by an alleged discrepancy between the interests of the Soviet Union and those of the East European countries. They even go so far as to assert that "the Soviet Union is hardly likely to wish to continue its assistance on an ever mounting scale."

However, these assertions have nothing in common with the truth, with a correct understanding and evaluation of the actual development and prospects of economic cooperation between the EMAC member-states. The facts show that in recent years there has been a steadfast growth and consolidation of all forms of economic contacts between the EMAC member states accompanied by a rise in their effectiveness.

The cooperation between the Soviet Union and the other socialist countries in EMAC has resulted in a number of fundamentally new forms of mutual contact being developed without parallel in world practice. A leading place among those forms belongs to coordination of national economic plans. In 1966 the EMAC member-countries for the third time coordinated their economic plans for a five-year period (1966-70). The importance of this lies primarily in the fact that it gave the socialist countries a clear perspective for the development of their foreign economic relations for five years ahead and provided the necessary guarantees against the effects of any market fluctuations.

According to the data published on the long-term agreements for 1966-70, the trade between the EMAC member-countries will grow by some 50 per cent over that for the preceding five years. This coordination has made it possible, in particular, to define the basic lines of exchange of engineering products by the socialist countries. Thus during 1966-70 the Soviet Union will cover by imports from socialist countries 48 per cent of its demand for marine transport ships; 40 per cent of electric locomotives; 36 per cent of railway passenger coaches, etc. In its turn, the Soviet Union, who is one of the world's biggest exporters of machinery, will also increase its export of these products to the socialist countries. Within the framework of coordination of the national

economic plans, the Soviet Union is making a most valuable contribution in basic raw materials and fuel to the East European countries. As a result, Soviet deliveries supply the bulk of the socialist countries' demand for iron ore, oil, cotton and many other raw materials.

Interstate specialisation and cooperation in production is being systematically perfected. Interstate specialisation within the EMAC framework covers more than 1,800 lines of engineering products and thousands of products of other industries. Specialisation has been a "godmother" to some of the major national industries of the socialist countries - Polish shipbuilding, Bulgarian electrical engineering, Hungarian farm machinery, CDR instrument-building, etc.

EMAC member-countries coordinate not only their production and consumption plans in the major lines of output but scientific and technological research as well. This helps to save considerable financial and material resources, which are used to work out new technologies and designs and solve various scientific and technological problems.

The EMAC countries are at present engaged in preparatory work for the coordination of their economic development plans for 1971-75. They have set themselves the task of lifting the coordination level still higher and making fuller use of it as a method of solving problems of common interest to several countries.

The development of specialisation and cooperation in production finds its expression ever more often in the setting up of collective economic organisations regulating this process in distinct branches of the economy. For instance, the socialist states have been highly successful in specialising and cooperating the manufacture of bearings. Much of the credit for this belongs to the Organisation for Cooperation in the Bearing Industry. Under the current five-year plan another 2,000 types of products will come under specialisation. This will result in lower costs, a 2.5-fold increase in the output of bearings, and a seven-fold increase in their exchange.

The EMAC countries have in recent years cooperated on an ever mounting scale in crediting capital investments. Such credits are granted as a rule to build certain national-economic enterprises of interest to several socialist countries. The object built through credit sharing becomes the property of the country on whose territory it is erected, and the credit received for its construction is repaid by deliveries of finished goods within a specified period and in fixed quantities. The practice of granting credits applies in the first place to fuel and raw materials production. This is not accidental, the extractive industries requiring the biggest investments of all. Countries possessing raw material and fuel resources therefore sometimes experience difficulties in finding the capital necessary to expand their export

resources, joint construction schemes, in the form of sharing credits, make it possible to distribute more evenly the burden of investment between exporters and importers, and to concentrate capital investments in fields offering the best chance of their being used most effectively from the viewpoint of the countries concerned. All EMAC member-countries are at present parties to agreements for joint projects on a credit-sharing basis.

The development of the Soviet Union's economic cooperation with the other socialist countries, the member of the Economic Mutual Aid Council in particular, does not therefore offer any grounds for speculations about "non-successes" or "failures" in this sphere. The economic cooperation between the socialist countries is marked not only by expansion of the mutual exchange of material goods, but by mounting successes in perfection of the machinery of the international socialist division of labour. The decisions of the 23rd CPSU Congress and the Party and Government documents of the fraternal countries highly assess the achievements in this field and suggest concrete measures to ensure further progress in mutual economic cooperation.

The "New Directions in the Soviet Economy" does not leave out of sight some other aspects of the Soviet foreign economic relations either. There is no lack in it of the traditional interpretation by American economists of the aims, character and direction of Soviet economic contacts with non-socialist countries. But the authors are nevertheless compelled to acknowledge the growth of our country's authority in the international arena.

Thus, referring to the programme of Soviet aid to developing countries the book says that "small in the middle of 1954, the programme rapidly grew in the succeeding years, its scope and content broadened, and it reached a comparatively high degree of perfection." But the character and direction of this aid are distorted, the Soviet Union being charged with the egoistic aim of "infiltrating every region of the developing world," etc.

In actual fact the Soviet Union in its economic policy to the developing countries is guided by the community of interests between the forces of socialism and the national liberation movement in the struggle for the revolutionary transformation of the world. The economic cooperation between the world's first socialist country and the "third world" countries is an important part of the efforts to secure peace and the right of the nations to freedom and independent development.

Referring to the economic cooperation between the Soviet Union and the developing countries, the following major factors determining its effectiveness to the countries of the "third world" may be listed. By cooperating with the Soviet Union the developing countries come into full possession of the resources acquired by them along the channels of this cooperation. Highly significant also is the character of the economic schemes initiated by those

countries with the cooperation of the Soviet Union. We are referring to a number of big modern projects based upon the latest achievements of science and technology. On the other hand, cooperation with the Soviet Union is used by the developing countries to establish big business complexes, which creates exceptionally favourable conditions for effective exploitation of their national resources.

Practically all the material and financial resources obtained by the developing countries through their cooperation with the Soviet Union are used for purposes of extended reproduction. Thus, the bulk of the Soviet exports to the countries of Asia, Africa and Latin America consists of machines, equipment and industrial raw materials. About 70 per cent of the total volume of commitments in economic and technical aid to the developing countries is intended for industrial development. The USSR unreservedly supports the desire of the developing countries to set up national industries.

In assessing the effect of the foreign economic relations no small importance should be attached to the question of how much the resources obtained by the developing countries from without cost them. For the goods, credits and services received from the Soviet Union the developing countries are not obliged to grant it any special rights or privileges.

Lastly, the time factor too is an important criterion of effectiveness. While in filling individual orders private capitalist companies are sometimes more operative, in the help given to the developing countries to solve complex economic problems the advantages of the planned socialist economy and state monopoly of foreign trade in the USSR make themselves felt quite clearly.

The American economists' analysis of the state and prospects of trade between the USSR and the developed capitalist countries is of interest. Their statements betray a definite concern over the fact that, as they put it, "the U.S. accounts for only 2 per cent of the value of the goods the Soviet Union now imports from all the industrially developed countries." This concern is not unfounded considering that the aggregate trade between the USSR and the industrially developed countries increased from 1,200 million rubles in 1958 to 2,800 million rubles in 1965, or 2.3 times. The countries of the West are showing an ever growing interest in expanding business contacts with the Soviet Union, in making use of the big, stable and promising market of our country. Symptomatic of this is the view taken by one of the authors of the work who writes that if commercial considerations again prevailed in trade "the United States might be expected shortly to become an important factor in the Soviet trade with the West."

V.I. Lenin taught us that the moribund classes are the last to realise that their time in history is up. He also emphasised that the old never leaves the scene without resisting. Capitalism will not yield its positions without a struggle. This is why the peaceful economic competition between the USSR and USA, between the world system of socialism and the world system of capitalism, has the character of a stubborn historical contest. That was the term Lenin used.

The authors of the "New Directions in the Soviet Economy" are seriously perturbed by the fact that the inexorable course of events is not at all what the monopoly bourgeoisie and its theoretical henchmen would like it to be. They see that between 1917 and 1966 the family of socialist nations increased and that Marxist-Leninist ideas are winning more and more disciples in every country of the world. Under the pressure of facts the documents of the U.S. Congress and the collective works of American economists reflect the evolution of the views of the bourgeoisie on the economic competition between socialism and capitalism: first denial, then recognition of individual successes on the part of socialism. But it would be wrong to expect the bourgeois U.S. economists to admit the principal fact decisively influencing the outcome of the economic competition between the USSR and USA, namely that the socialist system is progressive and is unquestionably superior to capitalism.

(Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya,  
No. 3, 1967, in full).

(All quotations from the English are retranslations).

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ON A FIVE-DAY WORK WEEK

A. Volkov,  
Chairman, State Committee on Labour and Wages,  
USSR Council of Ministers

The 23rd CPSU Congress Directives for the five-year economic development plan of the USSR call for further improvement of the Soviet people's living and working conditions. Of special significance in this respect is the change to a five-day working week with two off-days. The Central Committee of the Party, the USSR Council of Ministers and the Central Council of Trade Unions have now passed a decision under which all industrial and office workers will this year go over to the five-day week wherever working conditions make this practicable.

The implementation of this decision will open new opportunities for a further rise of cultural standards and improvement of conditions of work and rest, as well as promote higher productivity.

How will the advantages of the new system manifest themselves and why do all working people welcome them?

For Soviet Man

New work schedules already operate in more than 800 factories of various industries employing about two million workers. In the cities of Dnepropetrovsk, Riga, Zhdanov, Tallinn and others more than half the total work force of the factories already work five days a week, while in Perm, Zapozhnye, Ivanovo and Nevinnomysk all factory and building workers and government employees have been put on a five-day week.

In his address to the electors of Bauman District, Moscow, on March 10 of this year, E.I. Brezhnev pointed out that this is an important measure which is in most cases beneficial to production while also improving the working and living conditions of the working people.

From the social standpoint the five-day week has the advantage of substantially improving the relationship between working time and free time without altering total work hours.

According to official Soviet statistics workers spend an average of 1.5 hours a day travelling to and from work and handing over shifts. With the present reduction of work days every industrial and office worker will save 70 to 80 hours a year, this being equivalent to 11-12 off-days.

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In addition, two off-days a week make it possible radically to change the organisation and content of their recreation, to make better use of their leisure, to devote more time and energy to sports and tourism.

All this is corroborated by experience. In cities and factories where the five-day week has already been introduced the number of part-time students and attendance of libraries, cinemas, clubs and sporting events have increased. Thus the number of workers at the Dnepropetrovsk machine tool plant, Dneprodzerzhinsk chemical mill and Zaporozhstal steel works attending evening schools and colleges has grown by 13 to 20 per cent. A special poll held by the Perm Labour Research Institute has shown that children of parents transferred to the five-day week have improved their showing at school.

The women are the biggest beneficiaries. At present many of them spend their free day in the kitchen and other household chores and enjoy little rest. Two off-days a week enable them better to organise their leisure and devote more time to the children.

Two off-days a week favourably affect the workers' health. The five-day week carries with it, as a rule, a reduction in sick time. An inquiry conducted by the committee at a number of engineering factories showed a 4 per cent, and in chemical mills a 14 per cent, decrease in sick time.

Particularly marked has been the improvement in those textile mills where the so-called Ivanovo schedule, providing not only for a five-day week but a minimum of night work too, has been initiated. This schedule has resulted in a reduction of sick time of between 4 and 6 per cent, while in the industry as a whole the sickness rate has for some years remained unchanged.

#### From an Economic Viewpoint

From the economic viewpoint the five-day week has the advantage of speeding up the growth of productivity and raising social production efficiency.

The State Committee has studied the experience of a large number of factories operating under the new system. The inquiry has revealed that they were successfully achieving both their production and productivity targets. The factories of Perm, for instance, in 1966 fulfilled their output plan 102 per cent and productivity target 103.3 per cent. Compared with 1965, output increased 12.2 per cent and productivity 9.1 per cent. Many factors, no doubt, accounted for this, but the fact cannot escape our attention that the performance of the Perm industries excels that of industry in the country as a whole.

The industries of Zaporozhye and other cities put on the five-day week have also made a good showing.

An important factor of higher productivity has been the reduction of the time spent on getting into swing and winding up the shift. People familiar with factory procedure know that this eats up much time. At the Riga VEF plant, after the introduction of the five-day week, this loss of time has been cut by 14 per cent, saving the factory 1,700 rate-hours a month on this score alone.

The transfer to the five-day week as a rule reduces machine and manpower idle time, two off-days permitting better machine repair work and the reduction of shifts making it possible to cut time losses due to organisational confusion usually connected with the beginning of the shift.

One of the factories of Saratov Region which was among the first to adopt the five-day week organised off-day repairs of the feeding transformer stations so well that the number of emergency switchings off of machinery was reduced to about a third of the previous figure, with a consequent saving to the factory of 550,000 rubles a year. At garage No. 1 of the West Urals territorial transport department (Perm), where the two off-days are fully used for preventive car repairs, idle machine time on work days has been cut from 3,500 hours to 2,200 hours a month, or 37 per cent. Idle time due to dis-repair of equipment has been reduced in all the factories investigated by the committee by 8.2 per cent on the average, including 22.6 per cent in the engineering factories.

Owing to improved repairs of machinery the between-repair period has in many cases been lengthened. At the Dnepropetrovsk plastics factory, for instance, the between-repairs period has increased by 18 per cent, at the Dnepropetrovsk paint-and-varnish factory by 10 per cent.

Labour discipline in most of the factories transferred to the five-day week has noticeably improved. Absenteeism with management permission has also decreased since the workers now have more time to attend to their personal affairs.

The five-day week makes not only for cuts in unproductive labour and less waste of time, but also helps to save fuel and electric power. This is due to the reduction of the number of shifts and the time required to launch and bring to operating condition the machines, furnaces, transport, loading and unloading machines, etc. The results of a check made in this field show the fuel and power saving to amount to as much as 10 per cent.

#### Careful Preparations Most Important

These and other advantages of the five-day week can be put to full use only if its introduction is preceded by most serious and painstaking preparations.

Most of the factories effected the change to the five-day week with the aid of specially worked out plans providing for a new shift schedule, revised shift and 24-hour targets, a new order of work by the auxiliary and subsidiary services,

better organisation and conditions of work; and full use of the two off-days for repair work.

At the Kuznetsk Steel Works, for instance, new schedules were introduced at the repair and transport departments, the warehouses, the supply department, the power department and other auxiliary services, and the time spent <sup>on</sup> changing shifts was cut to a minimum. At the Riga VEF plant, to eliminate bottlenecks and increase the capacity of some sections, a completely mechanised line was introduced for painting, and drying electric engines and another line for varnishing and drying anchor parts, the cleaning of plastic parts has been mechanised, and equipment repairs improved. At the Perm electro-engineering plant a new 24-hour schedule has been introduced for the delivery of finished goods by the preparatory and assembly departments. The foremen and team leaders have been reshuffled through the shops to meet the new requirements. Repair work has been reorganised on more efficient lines.

A special effort must be made to ensure that the factories and building projects operate smoothly while the preparations for the five-day week are under way. It is known that an uneven production pace results in overtime work. Some factories are known to have engaged in the impermissible practice of operating on off-days in violation of the schedule. At the Krasnopresnensky reinforced concrete structural parts factory of the Glavmostroi No.1 Combine, for instance, overtime work was widely practiced throughout 1966 and a number of shops worked Saturdays despite the fact that the latter were supposed to be off-days.

Such violations of the labour legislation in essence deprives the workers concerned of all the benefits of the five-day week. It is the duty of the ministries, departments and heads of enterprises and building projects to see to it that the laws and regulations on work and rest are strictly observed.

That this is quite possible is shown by the experience of the advanced enterprises. Thus, the managements, Party and trade union organisations of the Leningrad Svetlana factories, the Perm Dzerzhinsky engineering works and many other factories succeeded, during the period of preparation for the change to the five-day week, in putting their plants on a smooth running basis; so that they now operate with practically no overtime.

It is very important for the change to the five-day week to be effected without in any way weakening the production relations between the factories and between them and the supply and marketing organisations. The production schedules must be agreed with those of the railway, automobile and water transport systems.

In the big factories the railway (transport) departments will continue to work as before, that is, on a four-team continuous operation schedule. This system allows loading and unloading work to be carried on round the clock every day of the week. As to the smaller plants, which do not have continu-

... operating transport departments and warehouses, their managers must take measures to avoid additional idle loading and unloading time.

As already said, the five-day week is being introduced without any change in the number of working hours per week, hence also without any change in machine performance. On the average, industry works 1.5 shifts a day. In view of this, it is necessary where the material and labour resources permit it (and first of all where consumer goods and goods in short supply are produced) to increase the number of shifts when changing over to the five-day week.

It is highly important for shifts to start and finish, and work schedules generally be arranged, so as to fit in with the operating schedules of the various transport systems, children's institutions, trading, public catering and service organisations.

Certain difficulties connected with its specific production conditions are likely to arise in the coal-mining industry. In some of the pits measures will have to be taken to increase the capacity of the shafts and underground transport facilities, to improve the safety precautions and make sure of even loading of coal on both work-days and off-days.

The above does not provide for all eventualities of course, which may arise in connection with the changeover to the five-day week. The ministries, departments and trade union central committees must take charge of the organisational work connected with the preparation of the factories, offices and organisations for maximum fulfilment, under the new conditions, of all production targets, including volume of output, productivity, profits and payments into the budget, as well as efficient exploitation of assets.

According to the decision of the CPSU Central Committee, the USSR Council of Ministers and the Central Council of Trade Unions, the five-day week will be introduced simultaneously in all the factories, offices and organisations situated on the territory of a Union (without regional division) or autonomous republic, territory, region or city, which will make it possible to effect the change in the most organised manner.

The councils of ministers of the Union republics, together with the ministries and departments of the USSR, the republican trades councils and other organisations must prepare time-tables for the transfer of the factories, offices and organisations to the new system by autonomous republics, territories, regions and big industrial centres of the republics. The work of the trading and catering organisations, cultural and communal services, passenger transport and children's organisations must be reorganised to fit in with the demands of the five-day week.

The theatres, circuses and clubs will have to give matinee performances and cinema shows on the additional off-day, and mass sporting events will have to be arranged at the stadiums

the Soviet people's living standards,

This big and important work must be headed by the ministries and departments, the local Party, Soviet and trade union bodies, and actively promoted by all workers and employees. The preparatory period should be used for the utmost improvement of production-organisation and public services. All this will promote a further growth of productivity and better working and resting conditions for the Soviet people.

(Ekonomicheskaya Gazeta, No. 11, Abridged.)

THE END

UNITED STATES GOVERNMENT

# Memorandum

TO : *1/11/67* DIRECTOR, FBI (100-428091)

DATE: 5/3/67

FROM : SAC, CHICAGO (134-46 Sub F)

SUBJECT: SOLO  
IS-C

*5- [Signature]*

ReBulet dated May 4, 1960, and CGlet dated April 7, 1967.

ReBulet instructed the Chicago Office to set forth on a monthly basis an accounting of all receipts and disbursements of Solo and CP, USA Reserve Funds in the possession of CG 5824-S\*. Set forth below is the accounting for April, 1967:

Balance of funds in possession of CG 5824-S\* as of April 1, 1967

Solo

Maintained in cash in safe deposit box, Michigan Avenue National Bank, Chicago, Illinois \$126,186.75

CP, USA Reserve Funds

None

Additions

Solo and CP, USA Reserve Funds

None

- 1-984 920*
- ②-Bureau (RM)
- 2-New York (RM)
  - (1 - 100-134637 (SOLO))
  - (1 - 100-128861 (CP, USA Reserve Funds))
- 1-Chicago

RWH:MDW  
(5)

REC-75

*100-428091-6243*

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*55*  
65 MAY 11 1967

CG 134-46 Sub F

Disbursements

Solo

On 4/21/67 to CG 5824-S\* as reimbursement for funds expended on instructions of GUS HALL, General Secretary, CP, USA, at New York City, 3/27-4/1/67. This amount includes \$150 to HALL as reimbursement of loan granted to CLAUDE LIGHTFOOT for which LIGHTFOOT gave HALL as security a ring, previously a family heirloom; cost of stainless steel calendar clock ordered by HALL; meals and related items for HALL and family; and, items purchased as gifts for HALL's family on latter's instruction

\$372.00

On 4/21/67 to CG 5824-S\* as reimbursement of money, \$300, sent by telegram to [redacted] GUS HALL, Denver, Colorado, plus cost of telegram. This money sent for cost of auto repairs paid by [redacted] at Des Moines, Iowa, and Denver, Colorado, for repairs on 1965 Ford Mustang recently purchased with CP, USA funds

306.76

On 4/21/67 to CG 5824-S\* as reimbursement of cost for household item purchased for HALL [redacted] [redacted] New Haven, Connecticut, on HALL's instruction

35.00

Total \$713.76

Balance of funds in possession of CG 5824-S\* as of April 30, 1967

Solo

Maintained in cash in safe deposit box, Michigan Avenue National Bank, Chicago, Illinois

\$125,472.99

CP, USA Reserve Funds

None



UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. W. C. Sullivan *WCS*

DATE: 5/3/67

FROM : C. D. Brennan *CB*

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. Rozamus
- 1 - Mr. R. C. Putnam

SUBJECT: SOLO  
INTERNAL SECURITY - COMMUNIST

PURPOSE:

This memorandum recommends that our New York Office be authorized to pay NY 694-S\* for expenses incurred during Solo Mission 23 to the Soviet Union and Czechoslovakia.

BACKGROUND:

NY 694-S\* departed on Solo Mission 23 on 4/2/67. He returned 4/18/67. As set forth in my memorandum of 4/21/67, the primary purpose of this mission was the reviewing of the clandestine apparatus with the Soviet official responsible for this operation. With respect to financing travel on this trip, the Communist Party, USA, assumed the responsibility for tourist accommodations. Since NY 694-S\* has a heart condition, it was deemed inadvisable for him to travel in the tourist class. The difference in fares amounted to \$325.20. In addition, for security reasons, source purchased clothing: top coat, suit; and two suit cases, which were altered to provide secure hiding places for notes. The itemized list of expenses incurred by the source on Solo Mission 23 is as follows:

Difference in plane fare.....	\$325.20
Clothing and suit cases.....	203.00
Hotels, meals, and incidental expenses abroad.....	99.00
Total.....	\$627.20

The above-listed expenses are similar to those incurred on all prior Solo missions and are necessary for the security of the source on this type of dangerous assignment. It is believed this request is reasonable and should be approved.

REC-75

Enclosure *sent 5-4-67*

CONTINUED - OVER

100-428091  
1 - Mr. M. F. Row (6221 IB)  
RCP:dmk  
(7) *dmk*

*100-428091-6244*

10 MAY 9 1967

65 MAY 11 1967 *55*

Memorandum to Mr. W. C. Sullivan  
RE: SOLO  
100-428091

Attached is a letter to New York authorizing payment to NY 694-S\* for the above expenses incurred on Solo Mission 23.

RECOMMENDATION:

That attached letter be approved and sent.

*PH*

*OK ✓  
H  
W.C.S.*

# ROUTE IN ENVELOPE

SAC, New York (100-134637)

5/4/67

Director, FBI (100-428091)

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. Rozamus
- 1 - Mr. R. C. Putnam

**SOLO**  
**INTERNAL SECURITY - COMMUNIST**

Reurairtel 5/1/67 requesting authority to reimburse NY 694-S\* in the amount of \$627.20 for expenses incurred on Solo Mission 23. This authority is granted.

1 - Mr. M. F. Row (6221 IB)

RCP:dmk  
(9) *dmk*

NOTE:

See memorandum C. D. Brennan to W. C. Sullivan, 5/3/67, captioned as above, prepared by RCP:dmk.

*Handwritten initials and scribbles*

*Handwritten initials*

*100-428091-6245*

MAILED 5  
MAY 4 1967  
COMM-FBI

REC-75

10 MAY 9 1967

REC'D - READING ROOM

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

*Handwritten initials*

*Handwritten notes and stamps*

55  
MAY 11 1967  
MAIL ROOM  TELETYPE UNIT

UNITED STATES GOVERNMENT

# Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 5/5/67

FROM : SAC, NEW YORK (100-134637-SUB A)

SUBJECT: SOLO  
IS-C

Remylet, 4/4/67.

### Debits

None during the month of March, 1967.

On hand as of March 31, 1967	\$844,367.03
Less Debits	None
On hand as of April 30, 1967	\$844,367.03

### Location of Solo Funds - New York Territory

#### Maintained by NY 694-S\*

Safety-deposit box, Chemical Bank- \$110,000.00  
New York Trust Company, 67 Broad  
Street, New York, New York

JACK BROOKS Regular Checking Acct.  
at Chemical Bank-New York Trust Co.,  
20 Pine Street, New York, New York

Acct. No. 1 (001-228919)	\$ 28,317.03
Acct. No. 2 (001-232835)	32,345.92
Acct. No. 3 (001-237942)	49,204.08

NY 694-S\* Personal Checking Acct., 4,000.00  
Chemical Bank-New York Trust Co.,  
67 Broad Street, New York, New York

#### Maintained by NYC - FBI

Safety deposit boxes, Manufacturers  
Hanover Trust Co., 69th Street and  
Third Avenue, New York, New York

	\$620,500.00
Total	\$844,367.03

- 2 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46-SUB F) (RM)
- 1 - New York (134-91) (INV) (41)
- 1 - New York (100-128861-SUB B) (CPUSA-RESERVE FUND) (41)
- 1 - New York (100-134637-SUB A) (41)

JFL:gmd  
(6)

55

5-0



MAY 11 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

TO : DIRECTOR, FBI (100-428091)

DATE: 5/4/67

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO  
IS - C

5. J.P.P.

Re Chicago airtel dated 3/28/67, New York airtel dated 4/21/67 and New York airtel dated 4/27/67, all of which made reference to efforts of GUS HALL, General Secretary of the Communist Party (CP), USA to obtain an invitation from European CPs for the CP, USA to send an observer to the conference of European Communist and Workers Parties which was held April 24-25, 1967, at Karlovy Vary, Czechoslovakia.

Referenced New York airtels set forth observations obtained by NY 694-S\* relative to the feeling in regard to HALL's proposal on the part of the CP of the Soviet Union, the CP of Czechoslovakia and their assumptions as to the feeling of the CP of Great Britain.

Enclosed herewith are three copies for the Bureau and one copy for New York of an informant's statement concerning replies received by HALL to his inquiries set forth in referenced Chicago airtel. This information was obtained by CG 5824-S\* during discussions with GUS HALL during the period April 22-29, 1967. This information was furnished on April 29, 1967, to SAs WALTER A. BOYLE and RICHARD W. HANSEN by CG 5824-S\*, who has furnished reliable information in the past.

1. at 2. 5/10/67  
rec; copy down

- 1-904 94 ENCLOSED
- ② - Bureau (Encis. 3) (RM)
- 1 - New York (100-134637) (Encl. 1) (RM)
- 1 - Chicago

REC 27

100-428091-6247

WAB:mes  
(4)

6 MAY 10 1967



5010-108

54 MAY 16 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

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AVAILABLE

It was learned that during early April, 1967, Gus Hall, General Secretary of the Communist Party (CP), USA, had directed communications to the leadership of a number of Communist and Workers Parties of Europe in an effort to secure for the CP, USA an invitation to send an observer to the conference of European Communist and Workers Parties which was held April 24-25, 1967, at Karlovy Vary, Czechoslovakia, for the purpose of discussing mutual security and the North Atlantic Treaty Organization. During late April, 1967, after the above conference had concluded without such an invitation having been received by the CP, USA, the following was learned concerning replies which Hall had received from some European Parties.

Hall had received written replies from only two CPs, the CP of Great Britain and the CP of Italy. In his response, John Gollan, General Secretary of the CP of Great Britain, had stated that he would not even propose to the host Parties that the CP, USA be permitted to send an observer. Gollan drew an analogy to the effect that if the governments of European countries were to have a meeting at which they were discussing European problems, they would certainly not invite the United States Government to participate. In like manner, Gollan saw no reason why the CP, USA should be invited to the meeting at Karlovy Vary.

According to Hall Luigi Longo, General Secretary of the CP of Italy, did not even have the politeness to answer Hall's letter himself but had allowed one of his Party Secretaries to answer it. In the reply the CP of Italy merely said that they would think about it. Hall has stated that this idea of CP, USA participation had largely originated with Longo in the first place and thus he could not understand the casual manner in which Longo had just passed it off to a Secretary to answer.

Hall was so angry with the CPs of Italy and Great Britain that he could hardly control himself. In his anger he has been showing these letters to various people and raving against Gollan and Longo.

It was also learned that Jim Jackson, Chairman of the International Affairs Commission of the CP, USA, had

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AVAILABLE

visited the United Nations Mission of Czechoslovakia located in New York City and obtained their views on this subject. They informed Jackson that a decision had been made from the very beginning of planning for this conference that there were to be no "observers." The reason this had been agreed upon was because at that time the organizers of the conference, the CP of France and the Polish United Workers Party, were afraid that some European Parties would want to attend only as observers without taking part in the discussion or debate or without signing the statement to be issued at the end of the conference. Therefore, it was decided that the answer should be to Parties which might entertain such thoughts that they must either attend and take part or stay away completely. The Czechs, as well as the British and French, also use the excuse that Hall's letter had arrived too late for serious consideration of his proposal, although it is known that all these Parties received Hall's letters three weeks before the conference.

Hall was no less angry with the Czechs over this reply than he was over the replies of the French and British. In Hall's opinion, the negative reception to his proposal was a reflection of petty nationalism in the Parties contacted.

# ROUTE IN ENVELOPE

Date: 5/4/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*Handwritten signature/initials*

Re New York airtel dated 4/27/67 concerning activities and contacts of NY 694-S\* in Prague, Czechoslovakia, during the last Solo mission.

On Page 4 of referenced airtel appears information from NY 694-S\* that on 4/17/67 he had received \$1,080.00 from A. SOBOLEV, Assistant Editor in Chief of the "World Marxist Review" to be delivered to Communist Party (CP), USA functionaries as royalties for articles published by the "World Marxist Review."

On 4/29/67 CG 5824-S\* advised that during the course of his recent trip to New York City 4/22-29/67 he had met with GUS HALL, General Secretary of the CP, USA, on several occasions. At that time CG 5824-S\* turned over to HALL the \$1,080.00 which NY 694-S\* had received from ALEXANDER SOBOLEV in Prague, Czechoslovakia. At the same time HALL was furnished a list of those individuals to whom these royalties were due for articles published by the "World Marxist Review." These individuals listed were GUS HALL, GIL GREEN, HENRY WINSTON, GEORGE MEYERS, HYMAN LUMER and HERBERT APTHEKER. Although the list

*Handwritten initials AB*

*Handwritten mark*

- 1-904 9+0
- ③ - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 2 - Chicago
  - 1 - A)134-46 Sub B-121

REC 46/100-428091-6248

MAY 10 1967

EX-103

WAB:mes  
(6)

*Handwritten initials*

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

57 MAY 16 1967 Special Agent in Charge



BEST COPY AVAILABLE

CG 131-48 Sub B

furnished by MCSOLEY did not indicate how the \$1,030.00 was to be divided, the source voiced the opinion that it was to be divided equally, \$130.00 to each.

Information contained herein is being disseminated to interested offices by separate communication suitably paraphrased and with the necessary caution statement.

# ROUTE IN ENVELOPE

OPTIONAL FORM NO. 10  
MAY 1962 EDITION  
GSA GEN. REG. NO. 27

5010-107

UNITED STATES GOVERNMENT

## Memorandum

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

- 1 - Mr. C. D. DeLoach
- 1 - Mr. J. P. Mohr

DATE: May 8, 1967

- 1 - Mr. N. P. Callahan  
(Attn: Mr. M. F. Row)
- 1 - Mr. W. C. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. M. J. Rozamus
- 1 - Mr. R. C. Putnam

TO : Mr. W. C. Sullivan

FROM : C. D. Brennan

SUBJECT: SOLO  
INTERNAL SECURITY - COMMUNIST

Solo is the code word used to refer to the liaison operation performed by our informants between the Communist Party, USA, and other communist parties of the world.

PURPOSE:

This memorandum recommends a \$1,000 cash award to NY 694-S\* for having subjected himself to extraordinary risks on Solo Mission 23 to iron out problems in the functioning of the clandestine phase of this operation with the Soviet official responsible to the Central Committee, Communist Party of the Soviet Union, for the Solo Operation. In addition, to recommend that Assistant Director Malone or Special Agent in Charge Roney of our New York Office personally present the award to the informant and orally express the Director's appreciation of the informant's services.

BACKGROUND:

NY 694-S\* departed on Solo Mission 23 on 4/2/67 for the Soviet Union. He returned 4/18/67. Informant was most apprehensive about the trip since the Soviets had cancelled a confirmed scheduled delivery of funds for the Communist Party, USA, due to a "security problem." Informant was not in a position to know whether the security problem centered around his personal activities or was something attributed to the Soviet apparatus in New York. In addition, informant recently recovered from a heart attack and the strain of the mission was not conducive to his physical well-being.

Enclosure *sent 5-8-67*

100-428091

RCP:cst  
(8)

REC 29

EX-113

100-428091-6249

MAY 11 1967

CONTINUED - OVER

56 MAY 15 1967

*E. 364*

Memorandum to Mr. W. C. Sullivan  
RE: SOLO  
100-428091

While in Moscow, NY 694-S\* was exhaustively interrogated for five days about the details of the Solo Apparatus. In addition, he was subjected to a test on his ciphering ability which he successfully passed. In spite of all obstacles, NY 694-S\* convinced the Soviets of his bona fides, laid the groundwork for the inclusion of NY 4309-S\* into the apparatus, set up a new date for the delivery of Soviet funds to the Communist Party, USA, and developed a wealth of data concerning the Soviet Intelligence Service techniques. Through conversation with high-level Soviet officials, informant developed intelligence information regarding the deterioration of relations between Fidel Castro, Premier of Cuba, and the Communist Party of the Soviet Union, which has been disseminated to the White House and other interested officials of our Government.

Source also obtained valuable intelligence data regarding Soviet plans for celebrating the 50th Anniversary of the Great October Revolution, the opinions of leading Soviets regarding the 7th Congress of the Socialist Unity Party of Germany (East German Communist Party), and the conference of European communist parties at Karlovy Vary, Czechoslovakia, 4/24-27/67. All this data has been disseminated to interested officials of our Government.

Our New York Office has recommended, and we agree, that NY 694-S\* should receive an award of \$1,000 for the successful completion of this trip behind the Iron Curtain. The success of the informant in continuing the Solo Operation and the intelligence data developed cannot be measured in dollars and cents. Although informant was apprehensive about his reception by the Soviets and in spite of his poor physical condition, he willingly subjected himself to the trials endured to insure that this delicate operation can continue. This attitude certainly merits special recognition.

Attached is a letter to Special Agent in Charge, New York, authorizing a cash award of \$1,000 to NY 694-S\* and instructing that Assistant Director Malone or Special Agent in Charge Roney personally present this award to the informant and orally express the Director's appreciation of the informant's services.

RECOMMENDATION:

That attached letter be approved and sent.

*Handwritten initials*

*Handwritten initials and numbers: "WCS" and "2"*

*Handwritten initials and a checkmark*

UNITED STATES GOVERNMENT

# Memorandum

ROUTE IN ENVELOPE

- Tolson \_\_\_\_\_
- DeLoach
- Mohr
- Walters \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen
- Sullivan
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

TO : Mr. W. C. Sullivan

DATE: May 8, 1967

FROM : C. D. Brennan

- 1 - Mr. C. D. DeLoach
- 1 - Mr. W. C. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. R. C. Putnam

SUBJECT: SOLO  
INTERNAL SECURITY - COMMUNIST

My memorandum of 4/11/67 set forth, in detail, disbursement of funds by the Communist Party, USA, during March, 1967, which had previously been received from the Soviet Union. The following schedule shows the total funds received by the Communist Party, USA, since 9/58 from the Soviet Union and Red China together with disbursements during 4/67.

TOTAL FUNDS RECEIVED AND DISBURSED 9/58 TO 3/31/67

Total received from Soviet Union.....	\$4,187,745.19
Total received from Red China (all on 2/10/60).....	50,000.00
Total received 9/58 to 3/31/67.....	<u>\$4,237,745.19</u>
Total disbursements 9/58 to 3/31/67.....	3,267,191.41
Balance of Fund, 3/31/67.....	\$ 970,553.78

DISBURSEMENTS DURING APRIL, 1967

All disbursements made on specific instructions of Gus Hall, General Secretary, Communist Party, USA.

Loan to Claude Lightfoot.....	\$ 150.00
Gifts for Gus Hall's family.....	222.00
Repairs to Hall's son's car.....	306.76
Gift for Hall's daughter.....	<u>35.00</u>
TOTAL DISBURSEMENTS, APRIL, 1967.....	\$ 713.76
BALANCE OF FUND, 4/30/67.....	\$ 969,840.02

100-428091  
RCP:cst  
(5)

REC 29

100-428091-6250

CONTINUED - OVER

MAY 11 1967

65 MAY 15 1967

Memorandum to Mr. W. C. Sullivan  
RE: SOLO  
100-428091

ACTION:

None. This memorandum is submitted for your information. An up-to-date accounting of Solo Funds will be brought to your attention each month. Details of accounting of these funds are not to be disseminated.

*PH*

*WCS*

*P*

*V*

*JS*

*MB*

FBI [Stamp]

BEST COPY AVAILABLE

Date: 5/1/67

Transmit the following in (Type in plaintext or code)

Via AIRTEL REGISTERED MAIL (Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub E)

SOLO IS-C

ReBullets dated 11/30/66 and 1/10/67 pertaining to the preparation of a paper by CG 5824-S\* containing his opinions concerning what the foreign policy of the U.S. should be toward the Soviet Union.

Enclosed herewith are six copies for the Bureau and one copy for the New York Office of a letterhead memorandum and attached document both entitled, "UNITED STATES FOREIGN POLICY IN RELATION TO THE USSR." The information in the enclosed document was furnished to SAs RICHARD W. HANSEN and WALTER A. BOYLE during the period 4/10-22/67 by CG 5824-S\*, who has furnished reliable information in the past.

The enclosed letterhead memorandum and document are classified "CONFIDENTIAL" since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source who is furnishing information on the highest levels concerning the international communist movement, and thus adversely affecting the national security.

In order to further protect the identity of this source, the enclosed letterhead memorandum has been shown as being prepared at Washington, D.C.

- 3-Bureau (Enc. 1)
1-New York (100-134637) (Enc. 2) (Info) (RM)
1-Chicago

WAE:MDW (5)

100-428091-6251
MAY 11 1967

Approved: Special Agent in Charge Sent M Per

65 MAY 20 1967

SP5 [Stamp]



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

Washington, D. C.

May 1, 1967

~~CONFIDENTIAL~~

UNITED STATES FOREIGN POLICY  
IN RELATION TO THE USSR

During mid-April, 1967, a source, who has furnished reliable information in the past, provided a number of thoughts, observations, and opinions on the subject of United States foreign policy in relation to the USSR. These remarks have been set forth in the form of a separate document and a copy thereof is attached hereto.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~CONFIDENTIAL~~  
~~Group 1~~  
~~excluded from automatic~~  
~~downgrading and~~  
~~declassification~~

Attachment

100-123091-

ENCLOSURE

DECLASSIFICATION AUTHORITY DERIVED FROM:  
FBI AUTOMATIC DECLASSIFICATION GUIDE  
DATE 02-01-2012

~~CONFIDENTIAL~~

UNITED STATES FOREIGN POLICY  
IN RELATION TO THE USSR

~~CONFIDENTIAL~~

~~Group 1~~

~~excluded from automatic  
downgrading and  
declassification~~

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

100-428071-101

ENCLOSURE



~~CONFIDENTIAL~~

CONTENTS

INTRODUCTION	1
BASIC POLICY OF SOVIET UNION	
Public Statements of Soviet Policy--Peace	1
Paramount Elements of Soviet Foreign Policy: United States-Soviet Relations and Avoiding World War	3
Soviet Concern Over West Germany	4
PURSUIT OF NATIONAL INTERESTS: KEYSTONE OF SOVIET POLICY	
Historical Precedents	4
Soviet Pursuit of National Interests Through Relations with Anti-Communist States	7
Khrushchev Removal Related to National Interests	7
Soviet Split With China Based Upon National Interests	8
Soviet National Interest Takes Precedence Over "Internationalism"	9
Importance of "Internationalism" in World Communist Movement, and Soviet Use of This Policy to Advance Soviet National Interest	9
Domestic Factors Affecting Soviet National Interests	12
Soviet Failure to Solve The Crisis in Agriculture	13
Additional Strains on Soviet Economy: Foreign Aid, Arms Race	14
Necessity of Communist "Example" of Abundance in Soviet Union	14

~~CONFIDENTIAL~~

Survival of Soviet Leadership Requires Solution of Economic Problems	15
Soviet Young Leadership and Youth	15
Patriotism and Peaceful Desires of Soviet People--Can United States Exploit by Appeal to Their National Interests?	17
SOVIET SUPPORT OF "WARS OF NATIONAL LIBERATION"	
While Basic Policy is Peace, Soviet Union Endorses "Wars of National Liberation"	18
"Wars of National Liberation"--Roots and Countermeasures	19
Lessons of Wars of Liberation (Spain, Korea): Soviet Union Not Directly Involved	21
VIETNAM	
Soviet Union Wants Vietnam Peace But Must Give Aid to North Vietnam	22
Recent Increase in Soviet Militancy Noted on Vietnam, But Fear of War's Spread Remains	23
Propaganda Advantage to Soviet Union as Result of United States' Involvement in Vietnam	24
Reaction of Soviet People to Vietnam War	25
Pressure on Soviet Union Regarding Vietnam--From East Europe; From China	25
Possibility of Soviet-Chinese Agreement to Aid North Vietnam	26
Possibility of International Brigade for Vietnam	27
Necessity of United States' Presence in Vietnam	27
EMERGENCE OF NATIONALISM AND ITS EFFECTS	
Nationalism Rampant	28
Effects of Nationalism on United States' Image	28

~~CONFIDENTIAL~~

Soviet Efforts to Exploit Nationalism to Further Communism	29
Soviet Reverses Due to Nationalism	30
Breakup of East European Communist Monolith	30
Soviet Recognition of Effects of Nationalism	31
Eastern Europe Asserting Independence From Soviet Union	33
ISSUES AND METHODS FOR EXPLOITATION OF EAST EUROPEAN NATIONALISM	
Not Open Anti-Soviet Campaign	33
A Closed Society Opens Slowly	34
Approach--Impression of Honoring Independence	35
Examples--Hungarian and Czech Attitudes	35
Gradual Relaxation of Restraints in Eastern Europe	36
Exploiting the Opening Door to the West	37
NATIONALISM IN LATIN AMERICA	39
SPLIT IN THE WORLD COMMUNIST MOVEMENT	
Entire World Communist Movement Weakened	40
Sino-Soviet Differences: Charges and Counter-charges	40
Advantage to United States From Split	42
Chinese Splitting Activities	43
Cuban Splitting Activities	44
Resistance of Communist Parties to any New "International"	45
National Interests Produce "Many Roads to Communism"	46
Methods of Exploiting Split for United States' Advantage	47
Three "Centers": Moscow, Peking, Havana	48
Meeting the Cuban Threat in Venezuela	48

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

SOVIET-CUBAN SPLIT IN LATIN AMERICAN COMMUNISM

Castro Fans the Flames of Revolt	50
Utilizing the Split for United States Advantage	50
Communist Party of Brazil Under Pressure	51
Issues in the Propaganda War: Cuban Dictatorship; Trade Unions' Right to Strike; Cuban Interference	52
Exploiting the Split to Curb Influence of Both Cuba and Soviet Union	53

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

## INTRODUCTION

The question of United States foreign policy toward the Soviet Union is a very broad one. This very posing of the problem is one-sided, for the question must also be asked: what is the foreign policy of the Soviet Union and its attitude towards the United States? This paper will try to put forward some ideas and attempt to answer some important questions in relation to foreign policy in dealing with the Soviet Union and other countries calling themselves socialist and which are now in the Soviet camp in one degree or another. This document is not a paper for a Ph.D. or for public discussion. Actually, the ideas put forth are based upon decades of study and experiences, brought up to date, resulting from contacts and travel over a period of years, including discussions with Soviet leaders and studies abroad through recent weeks in 1967. Every country calling itself socialist, except Albania, was actually visited and sessions held with the leadership. No "authorities" on this subject will be cited to "prove" a point.

## BASIC POLICY OF SOVIET UNION

### Public Statements of Soviet Policy - Peace

Past experience within the world communist movement makes manifest the lesson that party resolutions and speeches of leaders must be treated very seriously. To use an old cliché, one must "take them at their word." This does not mean that communist leaders are in the habit of disclosing secrets or taking anyone into confidence regarding important problems and their solutions. This would especially apply to questions relating to foreign policy. Yet, regardless of the still prevailing methods characteristic of a closed society, the communist leadership of the Soviet Union must state the general policy aims of a given historical period in order to mobilize the population for the carrying out of tasks in the sphere of international affairs and/or in the solution of economic and social problems within their own society. They do not always give the facts to their people, but they do indicate the road that must be traveled. In doing this, they must take into consideration the attitude of the people. They can control or suppress ideas or

~~CONFIDENTIAL~~

opposing points of view, they can sometimes enforce obviously unjust codes and rules; but all of these things can only be done if they have the main body of the population agreeing with them or at least sympathetic to the basic goals.

In his opening remarks to the XXIII Congress of the Communist Party of the Soviet Union, which took place March 29 through April 8, 1966, Leonid Brezhnev, First Secretary of the Central Committee, Communist Party of the Soviet Union, after stating the need for speeding communist construction, placed the question of current Soviet policy as follows:

"The Central Committee of the Communist Party of the Soviet Union has taken into consideration all the complications of the world situation in elaborating the course of the Party and the state in foreign policy; it has been guided by the vital interests of the peoples of the Soviet Union and by the desire to ensure peaceful conditions for the building of communism and socialism in the countries of the world socialist community and to prevent the unleashing of a new world war."

Despite a lot of verbiage, lip service to the ideas of international solidarity or proletarian internationalism, and more words about loyalty to the cause of the struggles of the people of the world, the main emphasis was on the effort to avoid war. The Soviet people can easily understand the following: "...The Soviet Union consistently advocates normal, peaceful relations with capitalist countries and a settlement of controversial interstate issues by negotiation, not by war." No matter what else the leadership says, the Soviet people understand the essence of these last words. And this is why the word "peace" is a part of the daily, almost ritualistic salutation of the average Soviet citizen. This same general policy was reaffirmed and restated as current policy in editorials on the front page of Pravda, the official Soviet Party organ, on April 7 and 8, 1967, on the occasion of the First Anniversary of the XXIII Congress.

The foregoing is not meant to portray the Soviet Union as a pacifist state when one considers its Communist Party of nearly thirteen million members and a Young Communist League of more than twenty million members, which both function as organized and disciplined paramilitary organizations, in every sense of the word, plus a powerful military establishment equipped with modern weapons, including nuclear weapons. Nor must peace slogans be interpreted literally in disregard of increasing Soviet armaments and ambitions as they relate to Europe, and particularly as they may relate to the United States. However, their policy for

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peaceful coexistence as repeatedly enunciated by the Soviet leadership (which they claim beginning with Lenin and extending into the days of Nikita Khrushchev and now repeated by the new leadership of Brezhnev and Premier Aleksei Kosygin) should be interpreted as their basic "unalterable" policy. In their own words they consider the policies of "peaceful coexistence of states with different social systems" as an integral part of the class struggle. The emphasis, however, is not on armed struggles but is on ideological and economic competition.

Paramount Elements of Soviet  
Foreign Policy: United States -  
Soviet Relations and Avoiding  
World War

Relations with the United States are in the center of foreign policy of the USSR. Everything that the Soviet Union does in the global field takes into consideration the role of the United States. This is not only a current or temporary policy. It is basic that the USA is the central focus in USSR world relations. It matters little whether they reach an agreement with France or engage in discussions with Great Britain; the important thing as far as the Soviet Union is concerned is the aims and attitudes of the United States. How to stabilize relationships with the USA and avoid a global conflict, particularly a nuclear war, is constantly discussed in Soviet society. The Soviet leaders do not hide this aim. They speak to their people quite frankly and openly about this aim. While it is true that the Soviets always present the United States as the villain--the imperialist troublemaker that is engaged in intrigue of some sort or another (and very often in this anti-American propaganda they take liberties with the truth)--they nevertheless would like to reach some kind of accommodation with the United States that would mean stability in foreign relations. They say that there are really only two powers that can determine the fate of the world at this stage in history--the United States and the Soviet Union. The Soviet Union would like to avoid a general conflict or a collision with the United States in particular.

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Soviet Concern Over  
West Germany

The Soviet leadership also fears the possibility of a two-front war and looks upon China as a powerful enemy by whom they will be confronted sooner or later; nevertheless, they believe that the chief enemy is still in Western Europe. The present strategic perspective of the USSR and some of their allies is the possibility of a major military confrontation between the United States and West Germany on the one side and the USSR and its allies on the other side. Even in their public speeches at so important a gathering as the XXIII Congress of the Communist Party of the Soviet Union they spoke of the bilateral military alliance of the USA and the Federal Republic of Germany, charging that this is a peculiar sort of alliance or partnership in which each wants to use the other for his own designs and that both the United States and the Federal Republic of Germany seek to aggravate tensions in Europe. "These designs, whatever the motives of the partners may be, are spearheaded against the USSR and other socialist countries, against peace and security in Europe and the whole world." This is what Brezhnev said in his report to the Congress. Therefore, the Soviet leaders say that they will never agree or reconcile themselves to the West German militarists, with the support of the United States, receiving nuclear weapons. ?

Under present world conditions there seem to be no readily apparent avenues by which the United States can change this attitude of the Soviet Union which looks upon the United States as "the instigator of all aggression" in every part of the world. Perhaps an agreement or treaty concerning the proliferation of nuclear arms when adopted can lead to more confidence and trust in United States policy, not merely on the part of the Soviet Union and their allies but also in some other countries, even some that are members of the North Atlantic Treaty Organization, who are also still fearful of a war of revenge launched by West Germany. North Atlantic Treaty Organization governments may deny this but an objective examination of the real thinking of the masses of people in Europe and Britain will show that there is greater fear of German strength than of the danger of communism. ?

PURSUIT OF NATIONAL INTERESTS:  
KEYSTONE OF SOVIET POLICY

Historical Precedents

No matter what slogans the Soviet leaders use, no matter the maneuvers, belligerent or peaceful, they always keep



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in mind the national interests of the USSR, and this is borne out by an examination of Soviet policy over a period of many years.

In the first few years of the Soviet Revolution Soviet leaders openly spoke of international aims and talked about carrying the revolution by force to other countries, and this did happen. There were revolts in Hungary, Germany, and in the Far East, including China, all these with Soviet aid. The defeats suffered in these countries, the inability of the Communist International to rally the working classes in other parts of the world to follow the example of the October Revolution of 1917, and the economic chaos and famine resulting from these setbacks, caused Lenin to take another look at the prospects of world revolution and place the emphasis on economic development. Some of the present ambitious, industrial plans were given to the Bolshevik Party and to the Soviet Government in embryo form by Lenin.

After Lenin's death, the struggle within the Soviet Party and Government between Stalin and Trotsky was related to this question of "permanent revolution," now vulgarized by the Chinese. The Trotsky thesis was rejected, and the Stalin concept of "building socialism in one country" was policy until World War II. After the Trotskyist concept of "exporting revolution" was defeated, the ambitious Soviet five-year plans were initiated. But even prior to that, the Soviets tried to reach agreements, and did succeed in reaching agreements and signed treaties with many states in Europe and other countries on different continents. The Communist International, always an instrument of the Soviet Union, and other organizations like the Red International of Labor Unions, etc., created by the Soviet Union, were at the same time working to subvert society in other countries.

But in all of these activities, the Soviets never gave up their national interests. The Soviet Union received the unqualified endorsement of the world communist movement for all its policies. The justification was that since the Soviet Union was the only socialist state in the world, encircled by enemies on all sides, it must receive the unconditional support of communists everywhere, even if Soviet aims hurt other countries. Communists in all countries, including the United States, were the chief apologists for the Bolshevik terror and oppression of

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the population in the Soviet Union. Then, as now, the Soviets never consulted the other communist parties when they adopted policies that were in their own national interests. The liquidation of the kulaks, the big purges that took place under Stalin, were justified or camouflaged with the use of international revolutionary slogans that these terror campaigns were necessary to "defend the only socialist state" against aggressive imperialism.

When the Soviet State deemed it necessary to reach an understanding with Hitler Germany, they did not consult any communist party. On the contrary, they submitted to the demands of Hitler and even sacrificed many militant communists in Poland and Germany so that they could reach this agreement with the Nazis. The Soviet-Nazi pact, however, did cause a cleavage in the communist movement, but it was only temporary. For the communists at that time, still organized in the Communist International, saw in this pact a peaceful intent, namely, to combat the "allied imperialists" who had "betrayed" their agreements with the Soviet Union. In the Communist Party, USA, the shock was so great that the American communist leaders at that time tried to convince the membership that obviously there must have been some "secret clauses" in the Soviet-Nazi pact because the Soviet Union would never sign an agreement with the Nazis that would sacrifice revolutionary principles, etc. The Soviet Union through the use of demagogy about "proletarian internationalism" and "peace" did keep the majority of the then existing communist parties in line. When the American communists used the slogan "the Yanks are not coming," this was giving aid and comfort to the national ambitions of the USSR under the guise of peace. When the Soviet Union was attacked by Hitler Germany, the United States communists answered Stalin's appeal by demanding immediate aid to the USSR and intervention on the side of the Soviets.

The restating of this question is necessary in order to emphasize again and again that regardless of the international trimmings in Soviet documents or slogans the national interests of the USSR come first. When World War II was coming to an end and the Soviets sent their armies into the neighboring states and set up puppet regimes, it was still with the same aim: the strengthening and protection of Soviet interests. This very nationalism of the Soviet Union led to contradictions and the subsequent loosening of the hold that they had upon what have come to be called the "satellites." To emphasize this question

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of national interests, it is well to remember that Stalin did not give unqualified support to the Chinese Communist Party. It was only when the Chinese communists were moving to take power despite the Soviet Union, that they received some aid from the Soviets. Even after the establishment of communist rule in China, Stalin held out against concessions to the Chinese. It was only much later that the Russians agreed to give back part of Manchuria and Port Arthur to the Chinese. Whatever agreements were signed with the satellite socialist states, they were always favorable to the USSR, whether it concerned economics, boundaries, or military matters.

Soviet Pursuit of National Interests  
Through Relations with Anti-Communist  
States

The Soviet Union has relations with many countries including countries that are still in a very unsettled state, countries that have problems with their neighbors and countries that suppress their communists. Yet, relations between the Soviet Union and these countries have very little to do with ideology, or liberty, or legality, or freedom for communist parties. To this day, Egypt does not permit a communist party, yet the relations between Egypt and the Soviet Union remain normal. There is no legal communist party in Algeria. When the Algerian Government of Ben Bella was overthrown, the Soviet Union did not break with the Boumedienne Government. When the communists of Iraq were executed and thrown into prisons by the thousands, the Soviet Union did not break with that government. When Nkrumah was overthrown in Ghana, the Soviet Government continued its relations, even though they used the words of Nkrumah as an excuse for not breaking off diplomatic and economic relations. Despite the slaughter of hundreds of thousands of communist sympathizers in Indonesia, the Soviet Government has not broken relations with the Indonesian Government though they did recently send a diplomatic protest objecting to the campaign of "anti-communism."

Khrushchev Removal Related  
to National Interest

When Khrushchev was removed from leadership of the Soviet Party and Government, the Central Committee of the Communist Party of the Soviet Union at that time took into consideration the feeling of the Soviet people--their grievances

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against the Soviet Government and particularly against Khrushchev. The Soviet people, whose standard of living was being slowed down, attributed their problems to the Khrushchev foreign aid "giveaway program." The man on the street was of the opinion that Khrushchev was giving away food, machinery, and other things that should be used or consumed by the Soviet people. In this way they believed he was neglecting their national interests. The opinion generally among the Soviet population was that Khrushchev was paying more attention to international adventures than to the solution of pressing domestic economic problems. If the people did not feel that their immediate interests or national interests were being neglected or sacrificed without receiving something more tangible in return, it is doubtful that the present leadership could have taken over.

Soviet Split with China Based  
Upon National Interest

When the Soviet Government reached the point where they were ready to engage in a political struggle with China, it was based upon national interests rather than ideology. Of course, in the polemics that ensued only ideology was stressed. But it is recalled that the sharp division actually took place first around the questions of nuclear weapons and nuclear war, and second, around the Soviet relationship with or effort to reach an agreement with the United States. This is not a mere abstract deduction. For years prior to the open announcement of differences, the Chinese demanded that the Soviets give them nuclear weapons, or give them the industry so that they could create their own nuclear establishment. The Soviet Government, for policy reasons related to the world situation, did not wish to create another nuclear power on its own borders. It did not matter to the Soviet Union that this power, the Chinese People's Republic, was in communist hands. In their appeal to the communist parties of the world, the Soviets used the argument that Chinese recklessness would lead to world nuclear conflict and that the Soviet concept of the possibility for "peace in our time" and the idea of "peaceful coexistence" are quite different than the Chinese theory that there can be no peace until imperialism is destroyed everywhere. It was in the defense of peace and the avoidance of global nuclear war that the Soviets tried to rally world opinion, and first of all the world communist movement, against China. The theory first raised at the XX Congress of the Communist Party of the Soviet Union that "war is not

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fatally inevitable" was debated and accepted by the eighty-one parties meeting in Moscow. The Chinese were very bitter about the Soviet Union trying to reach an accommodation with the United States. They had really believed that the Soviet Union or Khrushchev at the Camp David meetings with Eisenhower had betrayed the interests of China and reached an accommodation with the United States. Subsequently, the debates and quarrels had once again indicated that the Soviet Union placed its national interests and influence first, and that the Chinese did likewise in response to the Soviets.

Soviet National Interest Takes  
Precedence Over "Internationalism"

The average communist is in a state of bewilderment and almost disbelief as a result of this basic quarrel and particularly the Chinese demands for boundary revision. Communist ideology has consistently stressed the international aspects of the movement. Communist dogma rejects "bourgeois nationalism," yet every communist state has some problem affecting its national interests in relation to some other communist state, not only in relation to capitalist states. The conclusion that must be drawn in the present world situation is that even for the socialist states, beginning with the Soviet Union, China, Romania, Yugoslavia and others, the question of nationalism, or national sovereignty as some call it, plays a most important role. It may be said that this nationalism or national self-interest supersedes their "proletarian internationalism," no matter how loud the denial.

Importance of "Internationalism"  
in World Communist Movement, and  
Soviet Use of This Policy to  
Advance Soviet National Interest

Nevertheless, in placing the problem of national interest first, the influence and power of communist international ideology cannot be dismissed. Internationalism is still an important part of Marxism-Leninism, and in conditions of struggle, especially where the communists do not have state power, it is expected that communists from the so-called "oppressor nations" will subordinate their national interests to those of the so-called "oppressed nations" in the struggle against imperialism. On the domestic scene, this means that communists in

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the United States, no matter to which wing they belong--the pro-Moscow or the pro-Peking or the pro-Cuban--must struggle against their own government, their own people, to help the Soviet Union, China, or Cuba, or Ghana, or for that matter any other country that is fighting against imperialist oppression. The expression of this concept can be observed in a more concrete way in connection with the struggles in the USA, Australia, etc., against the war in Vietnam.

The ideas of "internationalism" are probably more widespread in the Soviet Union than in any of the other communist countries. The Communist Party of the Soviet Union camouflages its drive for national advantages and its national interest under the banner of "proletarian internationalism." This is a traditional holdover from the days when the Soviet Union was the only communist state\* and all parties used the same slogan, "Defend the Soviet Union." (This slogan is no longer used--it is not dignified for such a big power to permit its use. Such a country not only defends itself but is capable of defending others. Therefore, "International Solidarity" is the substitute slogan.)

The Soviet Party leadership works hard at this internationalism with very deliberate goals and aims. This propaganda work is carried on not solely for the purpose of strengthening its leadership and one might say its hegemony over the international communist movement. "Internationalism" is also utilized in defense of its foreign policy. This is how national interests can be placed before the people of the Soviet Union and the people of other countries as "unselfish policies." The internationalism expresses itself nowadays chiefly around the question of peace. Were it not for this desire for peace on the part of the Soviet people, it would be very difficult for the Soviet Party to utilize the banner of internationalism almost as it did in the old days. Because the Soviet Union is the most powerful country in the so-called "socialist community," "the protector" of the other states against "aggressive imperialism," it gives them possibilities to use the phrase "international solidarity."

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\* The term "communist state" is not being used here in the theoretical sense as the highest stage of society wherein the communist program states "From each according to his ability, to each according to his needs." It is used here only in the sense of designating that these are countries which are led by communist parties and are striving for this goal.

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In the report to the last Party Congress, Brezhnev stated that in the previous year the leadership of the Communist Party of the Soviet Union had met with the leadership of sixty communist and workers parties and with two hundred delegations. This is how they strengthen their international influence. But the Soviet communist leadership has another very practical purpose in strengthening its ties with the rest of the worldwide communist movement on every continent. First, they retain their ideological influence and loyalty by arriving at common conclusions or aims. Second, they strengthen the fifth column in every country even though the hold of the Soviet Party and Government is not as strong as in the past over the other parties. They nevertheless find ways and means and methods to retain the loyalty of these various parties. They are satisfied if they reach agreement on most of the political problems and do not push for one-hundred percent endorsement of Soviet policy. They emphasize the "equality" of parties and they generally get the leadership of other parties to speak for them as if the policies of the Soviet Party and Government were their own policies arrived at on the basis of their own national needs.

It is known that they also use very practical methods to retain their hold on the international communist movement besides political influence. These include ideological indoctrination; that is, the various parties send people to schools of all sorts in Moscow. The Eastern Europeans send people for training not only in the universities and scientific institutions and industry, but to the military academies as well. A good part of the work and studies of all these institutions deal with ideological problems and international indoctrination. Even the students from the less developed countries who come to the special schools like Lumumba University and other schools must take ("voluntary") courses in Marxism-Leninism. The other socialist countries do the same things on a smaller scale to influence foreign parties. In each of these communist controlled countries we can find hundreds, if not thousands, of people from all over the globe studying, working, or participating in some of their cultural and industrial institutions. These governments not only try to influence these people but try to utilize individuals to act in their behalf as a fifth column, as propagandists for the ideas of communism, and some individuals are utilized as espionage agents.

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Domestic Factors Affecting  
Soviet National Interest

The Soviet people have gone through two World Wars in this century and years of civil war. At the XXIII Congress of the Communist Party of the Soviet Union, the Soviet leaders admitted for the first time in actual figures the enormous casualties that they suffered in World War II. The Soviet people in this last half century have not known the real meaning of freedom and peace. They had a few years of "plenty" or "prosperity" in the middle thirties. They still refer to that period as the "golden years." At the end of World War II, most of the European part of the Soviet Union had been destroyed. Most of their cities were totally or partially leveled and they had to rebuild practically from scratch. In the rebuilding process they made enormous sacrifices in carrying out the ambitious postwar policies of Stalin. They made further sacrifices in holding on to the satellite states that border the USSR or at the time were the forward bases of Soviet power. Although it is true that for years they took tribute from these countries, it is doubtful that they received as much as they put into some of these countries who even built industries with Soviet help that they never had before.

The satellite countries, too, with a few exceptions, suffered immensely as a result of destruction in World War II and occupation by the Hitlerite Armies, and the task of reconstruction was accomplished largely with Soviet aid at the expense of sacrifices of the Soviet people. Even today the Soviet people, who are better off materially speaking than they ever were, resent the better-clothed and better-fed people in some of the other socialist states. Very often one can hear the remark of a Soviet citizen, "If we didn't send our meat to Hungary or if we didn't send our textiles to Bulgaria, we would be as well-fed and better-clothed than they are."

The Soviet leadership is therefore trying first of all to improve the living standards of its people. This is now visible in many ways--improved housing, more goods, better methods of public feeding, more attention to quality, etc. Yet, the Soviet people and of course the Soviet leadership feel that the USSR is still materially insecure.

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Soviet Failure to Solve the  
Crisis in Agriculture

While the Soviets have solved numerous industrial problems and have been able to increase productivity, they have failed to reach the utopian goals (divorced from reality) set by Khrushchev in the seven-year plan that was to pave the road to communism surpassing the USA. The most plaguing problem of all, up to now, is the failure to solve the crisis in agriculture. It may mean nothing to an American if for one reason or another he went into a supermarket and could not buy a few pounds of flour, but Russian history and tradition see hunger in the background when they cannot obtain flour to do their own baking. The prohibition of Matzho baking for the Jewish Passover until recently was due to this strict rationing of flour rather than contempt for a religious ritual. It was only last year that the Soviet Government released flour in bulk form to be sold in the stores for some important holiday. This sale of flour was considered a good and happy omen by the Soviet people. Hunger was no longer stalking in the background symbolically speaking.

This is not meant to imply that the Soviet people are starving--this is not so. They have enough of the basic commodities. There is no rationing, although there may be many things in short supply and much of this is most often due to poor transportation and bad distribution. But the fact remains and the Soviet people know it and the wide world knows, that during the last number of years the Soviet Union has had to import grain. From time immemorial grain was considered equal to gold (if not more so) in both old and present-day Russia.

Last year the USSR produced a bumper harvest due to favorable weather conditions and improved organization. After discarding the erratic experiments of Khrushchev, the Soviets are just beginning to solve this enormous agricultural problem. There is no need to repeat or list the measures they have undertaken to solve this problem, noting only in passing that there is great stress on scientific agriculture, on daily material incentive, prices, pay, pensions, housing, conservation, etc. Of course, the building up of a giant fertilizer industry takes high priority. Americans who are used to surpluses and even payment for reduction of planted acreage cannot easily grasp the plaguing problems that the Soviet Union faces due to a backward agriculture.

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Additional Strains on Soviet  
Economy: Foreign Aid, Arms  
Race

Soviet help to the developing states, Asia and Africa and other parts of the world, is also a big strain. But to retain its influence in the communist camp, as well as in world competition with the United States, the Soviet Union, even if it gives aid in measured amounts, cannot and will not let go. The strain would lessen if the Soviet Union would spend less on armaments but this they will not do. On the contrary, since Khrushchev, although their boasts about bigger megaton bombs have decreased, the building of armaments goes on. How to lessen these strains--how to satisfy the material needs of their own people--these questions are constantly being discussed by the Soviet leadership. Soviet national interests require a "breathing spell" from the fears of a big war. The people want this and that is why the USSR assumes a posture with emphasis on the removal of tensions. This posture is not always the same. From time to time the Soviet leadership takes a more belligerent stance even within the context of the policy of peaceful coexistence. This new posture is a "dialectical" combination of efforts for peace and threats against the imperialists.

Necessity of Communist "Example"  
of Abundance in Soviet Union

The present leadership, as the Khrushchev leadership before, believes that the influence of communism cannot spread unless they are able to prove by an abundance of material things that communism is superior to capitalism. In their argument with the Chinese, the Soviet leaders always use the necessity of building up at least one socialist country to serve as an example that would be convincing to the working people from Western countries, not only to people in the United States but even to people in more backward countries. This necessary example is to show that materially socialism can do just as well if not better than advanced capitalist countries. But the Soviets have not been able to do this up to now, although they have been making marked progress. Compared to a decade ago, it must be admitted that despite many difficulties and failures they have moved ahead.

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Survival of Soviet Leadership  
Requires Solution of Economic  
Problems

Preceding the XXIII Congress of the Communist Party of the Soviet Union, there was a struggle for leadership in the Soviet Party, and in a one-party state this means the control of the Soviet Government. The Brezhnev forces won. When the question was posed as to how long this leadership could remain in power and retain the confidence of the Soviet people, knowledgeable Russian Party members would say that the test will come in the solution to the pressing economic problems. The leadership that solves these problems and continues to improve the standards of living of the Soviet people will remain on top. If this leadership does not solve these numerous international and domestic problems, they could be ousted as Khrushchev was.

The Soviet leadership is constantly straining to solve these numerous domestic problems in industry and agriculture. Now they are experimenting with new methods of planning, production and price schedules. These things are in the forefront in the Party organization, in the trade unions, in the press, radio, television, in education, etc.

These problems and their solution cannot be separated from the Soviet efforts to work out a cooperative relationship with the other socialist states. Just as the Soviet leadership cannot "command" its own people as in the days of Stalin, they cannot command the smaller Eastern socialist countries in the same old way. Instead, they try to convince and exhort.

Soviet Young Leadership  
and Youth

Up to this time, it can be said that the younger generation of leaders in the Soviet Union has followed the lead of the present leaders. Although it is known that there is a struggle going on in the Soviet Union between the generations, and available information and facts indicate that this struggle is going on constantly, it has been resolved temporarily by bringing some younger people into the leadership of the government and the party. How long this unity of the generations can go on, or how long this new leadership will follow in the footsteps of the old in retaining at least a surface unanimity after a policy is agreed upon, is hard to say. This depends on both economic and political factors.

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As already stated, the present leadership of the Soviet Union will be measured by the degree of their success in solving economic problems. They will also be measured by their ability to stabilize the political situation internationally. This is not to suggest that their domestic situation is unstable. As long as they are able to place the danger of war in the background and strive for normalizing relations with other countries, the present leadership will not be challenged. But it is well to remember that prior to the XXIII Congress of the Communist Party of the Soviet Union some of this leadership favored more militant and aggressive action on the international front. Generally they favored more armaments and an armed direct military confrontation against the United States in Vietnam. There were even grumblings against any effort that would lead to negotiated disarmament. These younger leaders may have now concluded that they overestimated their strength, but they constantly show a greater belligerency than the older experienced present leadership. Some of these younger leaders favored a tightening of controls over the people, the limiting of dissent or freedom of speech. These young leaders favored for a time reverting to the control-like methods of the police.

It is necessary to make a distinction between the younger leaders and the youth in the Soviet Union. The masses of youth have grown up in the post-Stalin era. They are ashamed of what took place in their country during the Stalin period. They have developed a broader outlook regarding the rest of the world. They are more educated and better acquainted with what's happening outside the Soviet Union. It can be said that they have developed in a limited sense a democratic outlook. They are also the ones who understand the sacrifices that would have to be made in the event of a nuclear war. Among these youth are individuals, even groups, that fight for a more liberal cultural and literary outlook. The younger poets who are most often condemned by the leadership for running away with the reins are symptomatic of this present youth. To cite an example, there is the poet Yevgeny Yevtushenko and others. It is no longer a secret that most of the literary circles were against the use of the courts to condemn the writers Yuli Daniel and Andrei Sinyavsky. There were even protest meetings in Moscow. There were secret round-robin petitions circulated. The condemned writers' works were mimeographed and distributed. It is only the continued threat of force and reprisals that keeps the lid upon the literary and artistic world in the USSR. They

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went through a complete reorganization in literary journalism in an effort to stem the progressive and liberal trend. They turned the Literary Gazette which was a daily into a biweekly.

At the time when it appeared there was going to be a struggle between the present older leadership and the younger leadership as represented by Aleksandr N. Shelepin, a member of the Politburo and a Secretary of the Central Committee, Communist Party of the Soviet Union, the Soviet youth understood what would happen if the Shelepin forces in the Communist Party of the Soviet Union came out on top. There was even talk about possible resistance in demonstrations if that group would persist and once again use the old methods of Stalinist repression. This discontent of the youth reached the ears of the party and its leadership and this made it possible for them to hold back these younger, militant but nationalist leaders.

There is a youth problem in the Soviet Union. In many respects it is similar to the problems of youth we face in the United States. This younger generation does not exhibit the same discipline as the older generation. They know very little about revolutionary struggle. They are only interested in immediate problems--their education, their profession, and increased material things. However, by no means can it be said that the youth has abandoned Marxism-Leninism or Soviet nationalism. It would be naive to interpret this "youth rebellion" to mean that. The children in the Soviet Union take their Marxism-Leninism with their milk, in a manner of speaking. In the kindergartens and the very first grades, they are taught the meaning of the revolution and the ideas of Marxism-Leninism. Even the youth organizations are named after Lenin, like the "Leninist Pioneers" or the "Leninist Komsomol," etc. But these youngsters are not the fanatical revolutionaries of the Bolshevik type.

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Patriotism and Peaceful Desires  
of Soviet People--Can United  
States Exploit by Appeal to  
Their National Interests?

There is, however, one thing that must be kept in mind in dealing with the Soviet people, that is, that even if the people oppose some particular policy of their government, they do believe that their government is actually fighting for peaceful coexistence. It can even be said that they are the pressure that moves this leadership to try to reach accommodations with other countries and to live in peace, particularly

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with the United States. It is correct to state that the Russian leadership responds to the desires of their people on this question.

The Soviet people have gone through a lot of suffering during their fifty years since 1917, beginning with the long period of civil war and extending through the wars that followed. They have suffered invasion and the destruction of a good part of their country and its people. Even if the Soviet Government did not keep the past alive, especially the Nazi invasion, the majority of Soviet citizens would not forget this, for most have lost members of the family in the war or suffered greatly during the German rule. The people want peace and do not want to repeat the experience and sufferings of World War II.

The Russian people have a traditional sense of patriotism; they believe in their country and would fight for their country if they thought it was threatened. But the Soviet people will be moved by their self-interests, and if the United States should want to point to some wrongdoings of the Soviet Government, it must in the clearest terms show that that government is responsible for creating a certain atmosphere that leads to wars or to a situation that could lead to the abrogation of world peace. In this sense one appeals to the people to protect their national interests without violating their patriotic feelings.

#### SOVIET SUPPORT OF "WARS OF NATIONAL LIBERATION"

While Basic Policy is Peace,  
Soviet Union Endorses "Wars  
of National Liberation"

In fighting for its interests, the Soviet Union, in keeping with the ideology of Marxism-Leninism, endorses revolutionary movements throughout the world and gives aid to these revolutionary movements and to governments that have established themselves either through obtaining independence from colonial rule or winning independence through armed struggle. All the resolutions of the Soviet Party, as resolutions of communist parties the world over, consider the "wars of national liberation"

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as a part of the general revolutionary struggle, and they are pledged to give aid to these movements as long as they are anti-imperialist. In carrying through this policy, the Soviet Union separates what they call wars of national liberation and wars for independence from the concept of general war. They attempt to show that there is no contradiction between the effort to avoid a world war and at the same time to help carry on wars of national liberation.

The Soviet leadership has concluded that nuclear wars can be devastating and may result in the annihilation of human civilization. They incessantly claim that they are the only state defending the people of the world from catastrophe by fighting for peace and against nuclear war. In their relations with other countries, socialist and capitalist, even where they have military alliances as in Eastern Europe, they always emphasize that world peace is paramount. Wars of liberation, though they have to be supported, are secondary, and while they do not accept the ideas of "limited wars" except insofar as they mean wars of liberation, in their inner discussions they establish a limit wherever there is a real danger that the local conflict could broaden into a conflict between big powers-- especially between the Soviet Union and the United States. At such a point (actually a form of "brinkmanship") they would be prepared to reach some compromise. This was the case in the Cuban confrontation when the United States compelled the Soviets to remove their missiles. It was not only a question of being handicapped strategically but also the fear of a global conflict and its consequences. It can be said that the population of the Soviet Union was not prepared for such a conflict, and when Khrushchev agreed to the compromise over the protests of Fidel Castro, this served the Soviet national interests and took into consideration the feeling and understanding of the Soviet people and the people of the other Eastern European countries.

"Wars of National Liberation"--Roots  
and Countermeasures

Those who are willing to face reality can see that such class wars of "liberation" are destined to spread or occur in various parts of the world. This being so, the question of greatest importance to the United States is how to prevent the communists from taking over. Can an armed force from another country, even the United States, put down such insurrections at all times? The communists see these wars as "inevitable"

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and therefore they are prepared for them. They prepare for them by using the native population to fight their own battles. These "rebels" have roots in the native soil and among the population, and thus they weaken the charge of "invasion" or "aggression." The big task that faces the United States, if it is to preserve its world influence and safeguard its own national interests, is to foresee these "inevitable" situations, to study the social and political problems more carefully in each given country, to try to find leadership that speaks for the people, for the most numerous sectors of the population.

A leadership must be found that speaks for those who have real grievances and who have been oppressed. It follows that such people lose nothing when they fight for issues and things that will be of benefit to themselves, their people and their country. This cannot be a mercenary army. Volumes have been written about guerrilla warfare, and fanatical maniacs like Ernesto "Che" Guevarra and Fidel Castro see in this type of warfare the answer to all problems. But the truth is that the guerrilla army is only as useful and powerful as its indigenous roots. If such bands or armies or groups have no support from the local population, no matter under what flag they fight, they will be confronted with the same problems faced by United States forces in many villages in Vietnam--they sometimes find it hard to distinguish between enemy and friend. Of course, this is a big question and there are many prior problems to be solved in each and every country.

If Latin America is to serve as an example, it must be evident at the outset that it is impossible to solve every problem. Yet, no problem will be solved if the United States does not take the lead in developing a cadre that understands its own country and the national interests of that particular country, that will not only make promises, but with American aid will bring about some genuine, deep social changes in the structure of that society to uproot the remnants of feudalism or semi-slavery. In this way not only do people fight their own battles but viewing the matter from a national viewpoint the United States can husband its own national manpower and resources and increase its influence among allies fighting for the same aims. Such phrases as "freedom," "democracy," "the free world," etc., will take on a new and fuller meaning. Some of these phrases have a very real meaning, but the

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population in the backward countries of the world will not be mobilized on this basis. When the peasant in Brazil cannot even lay claim to half an acre of land, to talk to him about "free enterprise" is like talking to the wind. Merely winning a landlord or paying off some general or colonel to fight on one's side will not increase one's influence. It may make it possible to hang on, momentarily, but eventually the problems facing the population will have to be solved. In one form or another they will try to solve these problems by forming guerrilla bands or using other terrorist means. They may call for help or receive voluntary help from a Castro, but this help comes from a system totally antagonistic to the democratic way of life.

Lessons of Wars of Liberation  
(Spain, Korea): Soviet Union  
Not Directly Involved

There are some lessons for United States political and military strategists to be drawn from these many wars beginning with the war in Korea. World society is so split up and constituted today that more wars of the type now being fought in Vietnam will erupt, perhaps on different continents simultaneously, and strategic lessons are imperative, not merely in the area of military aspects but also in the areas of political and social problems.

During the 1930's a civil war was fought in Spain in which the communists used an international brigade. Thousands of Americans traveled overseas as volunteers, as did British, Germans, Panamanians, Canadians, Yugoslavs, etc. The Russians who were there were only "advisers." The Soviets were merely suppliers of arms, and from time to time they contributed their military know-how. But Soviet manpower in great numbers did not become involved in this war. The Soviets did not have many more fighting men in Spain than there were Americans.

In the war in Korea, most of the arms were supplied by the Soviet Union. The Soviet Union did not put any soldiers in the field to fight. They were in a better position strategically in Korea than they are now in Vietnam for they border on North Korea and have adjacent ports. But no Russians were actually fighting in North Korea. The Chinese stepped in with the so-called

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"volunteer" army only when their national interests were seemingly threatened. The Russians in deference to Chinese interests permitted their "volunteers" to go in. This did not hurt the USSR--by supplying arms and supplies they let the North Koreans and Chinese fight for their own interests and those of the USSR. At the same time the United States was involved in a bloody war while the Soviets turned their attention to efforts to gain advantages in the West. They were not involved directly; the Chinese and the North Koreans carried the ball for them.

Wherever civil war breaks out or there is some other conflagration, the Soviet Union sends advisers and aid, but they try not to get involved with their own manpower. An immediately apparent application of this observation in the contemporary situation is obviously United States involvement in Vietnam. The logical corollary is the important question of how fast the United States can build a government and an army in Vietnam so that the Vietnamese can do their own fighting. They will need aid and advice for perhaps a long time but that is different than fighting for them. Certainly, other lessons of equal consequence can be gleaned for current application from a study of these wars of liberation in the past.

#### VIETNAM

Soviet Union Wants Vietnam  
Peace But Must Give Aid to  
North Vietnam

Keeping in mind Western Europe, Germany first of all, the Soviet leaders are in favor of bringing an end to the war in Vietnam in order to remove the possibility of being dragged in either by the Chinese or by escalation on the part of the United States. The war in Vietnam is used as an excuse and as a reason for the failure to reach accommodation with the United States in other fields, whether diplomatic, trade, or the solutions to other troubles in the world.

However, in view of their conflict with China and in view of the demands of their allies in Eastern Europe for Soviet defense, particularly against Western Germany, the Soviet leadership cannot help but continue to give aid to Vietnam as proof of their loyalty and leadership of the socialist camp against

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imperialism. The leadership of the other socialist states has been quite critical of what they have termed "inadequate aid" given to Vietnam in this conflict. When the United States first sent large contingents of troops to Vietnam, some of the leadership in the Eastern bloc demanded a more militant resistance on the part of the USSR. It now appears that the Soviet Union has convinced their allies that whatever they are doing, as limited as it may seem, is in accordance with the wishes and desires of the North Vietnamese and the Chinese and for these reasons they could do no more. They also have convinced their partners in Eastern Europe that a confrontation with the United States in the Pacific or Southeast Asia would weaken the Western front and it is in this area of the world that the USSR and the East European socialist states are most interested at the present time.

Recent Increase in Soviet Militancy  
Noted on Vietnam But Fear of War's  
Spread Remains

A more militant attitude regarding Vietnam and a more vehement anti-United States campaign can be noted emanating from the USSR in the last few weeks. This may be due to many things happening in the world that can be interpreted by the communists as a spreading discontent or a "radicalization" of the masses--the election results in France, the anti-United States demonstrations during the Vice President's trip, the struggles in Greece, in Spain, the riots in Aden, the setback of the Government in Japan, the efforts of the West German Government to talk to the East German leadership, the racial strife in the United States, the continued strikes in the United States, the continued demonstrations against the war in Vietnam, etc.--all are taken into account and measured. The Chinese situation is also a contributing factor in this "flexible" posture of the USSR. Yet the changing tactical position of the Soviet leadership does not mean it is abandoning its main line.

Discussions with the main Soviet leadership reveal that they did not want this conflict in Vietnam to spread, and that after the spread they used their influence as much as they could to contain the war in Vietnam, to prevent it from spreading. If the Soviet Union was not involved in a serious conflict with the Chinese, they would probably consider the war in Vietnam as

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"a diversion" that keeps the United States occupied and "bleeding." But what the Soviet Union worries about, and this they discuss quite frankly with their friends, is that the Chinese are making an effort to involve the Soviet Union and the United States in a war, a direct confrontation. The Soviet leaders fear that once the United States and the Soviet Union would become involved in fighting each other, the Chinese would wait for both powers to weaken themselves and then move in to assert their will at a moment opportune to them.

Propaganda Advantage to  
Soviet Union as Result  
of United States' Involvement  
in Vietnam

The United States involvement in Vietnam has given communists the world over, to begin with in the Soviet Union, a big propaganda advantage. They have to a large extent succeeded in convincing people in many parts of the world that the United States is the "aggressor" in the world, that the United States has become a "neo-colonial" power, that the United States is using the most modern weapons to "suppress" peoples who are fighting for "independence," and that its methods are as "brutal" if not more so than those of the Nazis. It may not be pleasant to hear this, but a good part of world opinion believes this. No matter whom one talks with in different parts of the world, many believe that the United States is responsible for the war in Vietnam and that the United States does not hesitate to burn, bomb, and destroy people, especially people of another color. This belief has grown since the United States sent into Vietnam hundreds of thousands of American soldiers who carry the chief burden of the war. Some of these falsehoods are not only the result of communist propaganda. The lack of consensus in the United States about the war in Vietnam causes people in Europe, Latin America, and other countries to believe even the most exaggerated and violent propaganda of the communists.

When the United States and the Soviet Union signed the treaty against atmospheric nuclear testing, this took away a powerful propaganda weapon from the communists, who until that time were posing as the only ones who had concern for the human race and its survival. But with the spread of the war in Vietnam, communists once again were able to rally large sections of the people of the world, even those who do not believe in

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communism, even some anti-communists, pacifists, social democrats, and others, against the United States. The Soviets have succeeded in convincing their own people, who are greatly concerned about the war in Vietnam, that the responsibility of spreading the war falls upon the United States and that the United States is endangering the peace of the world.

Reaction of Soviet People  
to Vietnam War

The war in Vietnam has aroused the Soviet people. The Communist Party of the Soviet Union and the Soviet Government for the first time in many years were able to mobilize large masses of people to demonstrate. These demonstrations may be organized, but they are nonetheless genuine. The United States is really looked upon as the aggressor attacking a defenseless people. Soviet experience during World War II, the bombings they suffered, the scorched earth, etc., is the transferred image in Vietnam. The constant Soviet propaganda against the United States as "imperialist aggressors" keeps this feeling alive among the Soviet citizenry. But above all, the Soviet people fear that the war will spread and lead to a nuclear catastrophe.

Yet, the Soviet people are still able to separate one policy from another and retain their respect for the United States. This is also true among the intellectuals as well as among the educators and industrial executives.

Pressure on Soviet Union Regarding  
Vietnam--From East Europe; From  
China

It is not easy for the Soviet Union to play a pacific role in connection with the war in Vietnam. Just as the United States raises the problem of living up to its "commitments," so do some of the allies of the Soviet Union raise the same question from their point of view. "Will the Soviet Union allow a socialist state to be bombed out of existence or be destroyed by another powerful capitalist state? If this is permitted, we may be next." There is this kind of pressure on the USSR. This pressure was reflected in conversations with the leadership of Poland in late 1966. The Polish leadership would not even listen to American communist suggestions that this war in Vietnam can be

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settled around a peace table. They would not even agree to a tactical gesture whereby Ho Chi Minh or any of the other North Vietnamese leadership might say, "All right, we are going to talk," albeit placing some conditions, but at least answer and say that North Vietnam is interested in peace. The East German Party (the Socialist Unity Party of Germany) and Government were of the same frame of mind although not as belligerent as the Poles. Then there are the Chinese constantly shouting about Soviet "collusion" with the United States. This situation makes it tactically difficult for the Soviet Union to use initiative, to use pressure upon the Vietnamese, on the subject of peace in Vietnam, or even to maneuver. It is known that when members of the Communist Party, USA asked the Communist Party of the Soviet Union leadership to relay to the leadership of North Vietnam the suggestion that they might for "tactical reasons" suggest to President Johnson that they would agree to talk peace, the Soviet leaders would not even undertake to deliver this message although they agreed with it. The Czech communist leadership agreed to convey this message of the American communists, which of course was ignored by the Vietnamese. At the present time, the Soviet leadership uses Vietnam as the chief reason (but keep in mind the other major reason--West Germany) as the excuse for not being able to reach any worthwhile agreements with the United States.

Possibility of Soviet-Chinese  
Agreement to Aid Vietnam

Recent press dispatches indicate some agreement between the Soviet Union and China to expedite the movement of arms to Vietnam. There are also news items about new trade discussions. It is difficult to assess as yet whether these reports have substance or not. The Soviet press still continues to feature the struggle in China without reference to anything new. Only a few months ago the Soviet leaders complained that Soviet-Chinese trade is negligible, almost nil, although they signed new pacts months before (1966) which the Chinese merely ignored.

It is hard to say what the Chinese will finally do in the world communist movement regarding the war in Vietnam. Just as the Soviets are subject to pressure from their allies and communists in all countries about their insufficient involvement in the war in Vietnam, so the Chinese are subjected to pressure from the Soviet Union and from communists all over

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the world. This may compel the Chinese to make some bold moves to give more aid to Vietnam or even to make some more belligerent gestures that could be interpreted as anti-imperialist and anti-American, thus aggravating the situation in Southeast Asia. It would not be surprising, however, if the Chinese and Russians reached some accommodation on Vietnam. The March, 1965, "consultative" conference in Moscow, though not an overwhelming success, was nonetheless a victory for the Soviets in that they lined up the world communist movement on this one issue--unity and aid to Vietnam.

#### Possibility of International Brigade for Vietnam

There is still a big debate going on in world communist ranks about sending volunteers to Vietnam. The Vietnamese do not want a pure Chinese volunteer army in their country. In time such a volunteer army could mean occupation of Vietnam by China. There are historical reasons why the Vietnamese would not want a pure Chinese volunteer army, even if ostensibly for the defense of their country. The Chinese have vetoed Soviet volunteers and other international volunteers. Soviet advisers to Vietnam as of recent date are counted and allowed into Vietnam in very limited numbers. There could be a situation, however, when under the pressure of the war, the Vietnamese will request some smaller socialist states such as Cuba or Tanzania, etc., to send volunteers. In that case it is possible that an international volunteer army made up of communists and their sympathizers (like the International Brigades in Spain) may be organized. But this, too, in the last analysis would depend upon the attitude of China. A volunteer army in numbers could not come into Vietnam by any other route, except by land or air routes through China, unless the Soviet fleet is involved. Such a move by the Soviets is unlikely for they want to avoid a direct clash with the United States, especially if the Chinese remain neutral or continue close control of the land route.

#### Necessity of United States Presence in Vietnam

At this stage it would be most advantageous for the United States, if at all possible, to prevent a Chinese involvement in Vietnam. If it is possible to solve some military problems in connection with the war in Vietnam without taking on the Chinese, it would help avoid throwing the Russians and Chinese together. The United States cannot consider just pulling out of

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Vietnam. Pulling out of Vietnam, as experience in the contemporary world amply demonstrates, would leave most of Southeast Asia in the hands of a powerful China. But the United States cannot to its advantage at this time get involved in other so-called wars of liberation while it is fighting in Vietnam.

### EMERGENCE OF NATIONALISM AND ITS EFFECTS

#### Nationalism Rampant

The phenomenon of nationalism (which theoretically seems to be alien to Marxism) has become an overriding factor even in the ranks of communism. It is not limited to the communist countries. There are nationalist eruptions on every continent, including North America, if we but listen to the rumbles in Canada. Many of the struggles taking place in Africa, Asia, and Latin America, no matter what form they take, have some essence of nationalism. This is especially true in the countries that in the past had a colonial status. These countries are still attempting to assert their nationhood and this problem is even more aggravated if there are some racial questions apparent.

#### Effects of Nationalism on United States Image

There was a time in contemporary history when the United States was almost universally looked upon as an anti-colonial country. Whereas, almost every country in Africa, Asia, and Latin America could point to Great Britain, to France, at one time to Germany, Belgium, Holland, and others, and call them imperialist colonial powers, they could never say this about the United States. Even in old China the United States never claimed extraterritorial rights although every other big power at some time did have such rights.

During the period of World War II the United States was looked upon as a liberator. The United States sent its troops to free many of the occupied countries in Asia, Africa, Europe, etc. For a time, most countries rightfully recognized that the United States fought for their freedom and helped them to obtain the status of independence. The British may not have liked it, the French may have resented it, others may have wished that the United States took another position, but the fact remains that the United States had won for itself standing among these



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people that were emerging as independent nations. In recent years, however, particularly in Asia and Latin America, the United States has been slandered with the canard of "neo-colonial power." In some of these underdeveloped countries the United States has formed alliances with the aristocracy and "oligarchs"; the communists call these "exploiting classes." This charge has hurt the United States image. Even though these charges are totally false, the fact must be recognized that the United States is seen as a different image among these people than Americans see themselves.

Soviet Efforts to Exploit  
Nationalism to Further  
Communism

The communists, to begin with the leadership of the Soviet Union, have had to take note of the development of nationalism in many parts of the world. They have decided that they can utilize this nationalism for their own ends. Theoretically they make a distinction between what they term "bourgeois nationalism" and "progressive nationalism." In countries that have only a small working class population, they assume that the middle classes and professionals will take control, not by themselves but with the aid of the middle or poorer strata of the peasantry and of course with an assist from the working class. The communists try to direct this national feeling and the desire for independence against "imperialism." Even if a former mother country offers aid, the communists interpret this as neo-colonialism. Communists pretend to offer aid "without strings attached" to retain their influence. But in every case they try to utilize nationalism to further the aims of communism.

When a big country such as the Soviet Union is involved in an aid program, they protect their national image first of all. The first lesson of this kind was driven home at the time of the negotiations with Egypt on the Aswan Dam. The Soviet Union utilized that situation to drive a wedge into the Arab world and this resulted in encouraging other revolutions, most of them aimed against the West. The Soviets did not get any apparent ideological concessions, but they did get the foot of communism, Soviet communism, in the door to the Arab world and the Middle East.

As stated before, in most of these countries, the communist parties have been suppressed, but they nevertheless spread their influence among certain sections of the population. The Soviet Union encourages industrial construction, giving aid that at least in the future may make it possible for some of the militant leaders such as Nasser to make concessions to the people,

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and thus strengthen their nationalist consciousness and anti-Western tendencies, subsequently developing into militant anti-imperialism. The Soviet Union is also able to control the communists of these countries and make them follow a tactic in keeping with the policies of their own particular government (Egypt, Syria, Iraq) so that they do not "rock the boat." Here, again, the Soviets are thinking of their own interests and how this given situation will strengthen them. They are not interested in merely strengthening a local group or faction of communists.

#### Soviet Reverses Due to Nationalism

But all has not been clear sailing for the Soviet Union on the turbulent sea of emerging nationalism. Just as the United States has had to contend with certain rebuffs and misunderstandings of its motives on occasion, and a lessening of its influence in some parts of the world, so too communists are worried about the same problem. This emerging spirit of nationalism has corroded their influence. In some instances they had to suffer humiliation. There is nothing much they can do about this. This was the case in Guinea, in Tanganyika, and later in Ghana, where Soviet and other communist advisers were told to stop meddling and get out. The Soviets made concessions and remained, at least still retaining a diplomatic relationship, waiting for future opportunities. But this nationalist spirit has hurt the "socialist camp."

#### Breakup of East European Communist Monolith

If a few years ago it was correct, especially at the time of Stalin's rule, to call some of the countries of Eastern Europe "satellites," it would be incorrect to give this flat designation to most of these countries now. Nearly twenty years ago, Yugoslavia broke the iron bonds of Soviet rule and fought bloody battles to retain its independence. This was something new in the communist movement. It had never happened before. Communists who believed the dogmas of Marx and Lenin could never have dreamed that such a thing would happen. But not only did Tito's Yugoslavia strike the first blow against the monolithic rule of Moscow, it also set an example that shook the communist world at that time to its very foundation. It was

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a blow from which Moscow has never recovered even to this day. Some time elapsed before other countries tried to do the same. This is the meaning of the rebellions of the fifties in Poland, East Germany, and Hungary, although the communists retained control. But Moscow lost and dare not claim that it rules or even leads the socialist camp.

When the polemics between the Soviet communists and the Chinese began, the Soviets charged that the Chinese encouraged the Poles and Hungarians to take advantage of the situation by demanding more independence from the USSR. Although China is not a small power in the political sense and must be put into the category of a big power, the Chinese severance of "class ties" to the Soviet Union has the same roots as the other nationalist explosions in various parts of the world including those in Eastern Europe. The relationships between each socialist country are supposed to be different but they are not. These countries have no open borders though they call themselves "socialist" and "internationalist." It is more difficult to travel from one socialist country to another than from a capitalist country to any one of these countries. Their visa, passport, and currency restrictions in no way reflect "internationalism." Even communists visiting these countries are looked upon as "enemy aliens" unless they are of the same nationality or part of an official communist delegation.

There are sharp and constant rivalries between each of these states. In private discussions party leaders of one or another socialist country will talk contemptuously about another--Czech versus East German, East German versus Romanian, Hungarian versus Romanian, and on some occasions one or all give vent to anti-Soviet feelings purely from a national point of view. Romania's relations with the Soviet Union and the other East European socialist states is one of the clearest of recent nationalist feuds. Its relationship with China, despite the attitude of the Soviet Union and the other socialist countries, is an example of independence and its economic advantages for Romania. Despite the Warsaw Pact and the Council for Mutual Economic Assistance, nationalist feeling and rivalry persist. The Romanian and Yugoslav positions are really "uprisings" for complete independence.

#### Soviet Recognition of Effects of Nationalism

At the XXIII Congress of the Communist Party of the Soviet Union, Brezhnev spoke about the "world socialist system" and its influence on world events. He talked about it as a great

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achievement of the working class and declared that the world socialist system has not only grown substantially stronger but has developed a good "fraternal relationship." He emphasized that this relationship is generally based upon Marxism-Leninism, mutual support for each other, the principles of "equality," non-interference and mutual respect for each other. But he underlined that the Soviet Government and Party's relations with the other communist and workers parties of the socialist community, as he called it, have become better, closer, and more cordial. Brezhnev went on to explain that the USSR has friendship and mutual assistance pacts with each of these socialist states. When talking about the theories of building of socialism, Brezhnev pointed out that there are "basic laws" of socialist construction that are "common" to all countries and that these laws are well known and have been tested in practice. (Here parenthetically it must be noted that when the first split between the Chinese and the rest of the socialist camp took place, the Chinese at the eighty-one party meeting vehemently denied that there are such "basic laws" of "socialist construction." But if Brezhnev or the Soviet communists were to deny the so-called basic law of socialist construction, they would also have to deny the theories of Marxism-Leninism.)

But the Soviet communists have learned something about this real world where the nationalist feeling is growing. Despite his assertion of the growth of "internationalism," Brezhnev pointed to the following important fact: "Nevertheless, as the socialist countries develop, they are constantly coming up against new problems engendered by the realities of life in all its complexity and variety. It stands to reason that there are no ready-made solutions to these problems, nor can there be any. The development of the world socialist system, therefore, requires a constant creative approach, on the tried and tested basis of Marxism-Leninism, to the problems that arise, it requires the pooling of experience and opinions." Then Brezhnev amplifies that the leaders of socialist states have businesslike contacts, political consultations, they negotiate, they have friendly meetings, sincere talks, they pool experiences and opinions, and in this way in good time they are able to profit from each other's practical experiences and activities and this is of help to the entire socialist system. Brezhnev emphasizes the "variety" of experiences and the need for cooperation to serve each other's national interests. But the thing that stands out in this relationship is that the national interests of this or that given country is paramount

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It is true that in summarizing this problem Brezhnev puts some stress on "international solidarity" and the community of interests of all these parties and states, and he talks about the need for strengthening the cohesion of the "socialist community." But it should be emphasized that the Soviets have not lost sight of the conflicting national interests. In order to continue their hold and their present relationships with these countries they give concessions to the "variety of problems" and "different roads" to solutions of problems in the different countries. In fact, this is recognition that there is a split in the ranks of communism. It is true that some countries like the German Democratic Republic, Czechoslovakia, or Poland do not always agree with some aspects of Soviet policy, yet they do not always turn each one of these problems into a big issue because there is that paramount question of security against the arising nationalism of West Germany and the fear of a war of revenge. And it is this seeking of security "against the common enemy" that sometimes serves to minimize the differences that exist between each one of these countries and all of them in relation to that big power, the Soviet Union.

Eastern Europe Asserting  
Independence from Soviet  
Union

It would be wrong to imply that this community of socialist states is breaking up, but it is a fact that each country is now acting with some initiative and doing more things, more independently, than they did a few years ago. They no longer bow to the commands of the Soviet Union as they used to. On the contrary, very often they stand up and speak about their differences quite openly. Not only Romania and Yugoslavia, but others such as Hungary, Czechoslovakia, and Poland, at one time or another, have discussed with others their economic differences with the Soviet Union, their political differences, and differences about culture and art. Some emphasize differences in traditional attitudes toward democracy, forms of government, even different attitudes toward the church. Sometimes they even discuss different attitudes toward countries such as the United States, Great Britain, or any other Western country. Many and varied examples can be cited to show how this growing independence is asserting itself.

ISSUES AND METHODS FOR EXPLOITATION  
OF EAST EUROPEAN NATIONALISM

Not Open Anti-Soviet Campaign.

What needs to be emphasized is how to utilize this situation in the national interests of the United States. The

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effort of the present United States Administration to build "bridges" can best be advanced if it is not started as an open "anti-Soviet" project. These East European countries will not even step on to these bridges because of their military, economic, and other relationships with the Soviet Union if they think the United States approach is based chiefly on this premise. The objective has to be to win these countries and people to the side of the United States or to weaken the hold that the Soviet Union has upon them. But fundamentally this policy cannot be framed in an "anti-Soviet" context.

#### A Closed Society Opens Slowly

In some of these countries American art, theater, and movies are very popular and are shown freely. Sometimes a gesture on the part of some commercial body or social organization in the United States has more effect than months of general propaganda on the air waves.

It is important to keep in mind that the communists not only govern a closed society, but that their party organization is actually the most secret of organizations. This means that most of the decisions of their leadership except those shown in meager form never come out in the open. Their debates are rarely published openly unless in a polemic against a person or policy. Such guarded security is not pried open overnight. It is not realistic to expect that some of these organizations such as communist parties that run governments will make concessions overnight. (There are other parties in some of these ruling coalitions such as the Social Democrats and the Christian Democrats, but the fact remains that it is the communists that control the government and are the ruling parties, even though in some countries some other parties do exist.)

For example, a children's hospital was built in Krakow, Poland, with United States counterpart funds. When it was dedicated, in spite of the fact that United States funds built it, some of the United States representatives to the dedication were refused visas by the Polish Government and comparatively little publicity or credit was given to the United States among the masses of Polish people. How could United States influence be expressed since they keep such things from the public? Yet something of great use to the Polish people was done and they

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undoubtedly appreciate this. One must be tactful, modest, and patient. Young United States diplomats must learn from the other side--they must eschew arrogance because they represent a big power. Ways can be found to let the Polish people know that the American people made such a contribution as in this case cited. The Russians built projects in Cambodia and Afghanistan, Ethiopia, and other countries; somehow or other they were invited to the dedications of these projects and the people of these countries know that the Russians built these projects. Their techniques must be studied in order to train people who stick to principles yet at the same time are flexible. The United States can get "credit" even when the communist party tries to shut them out. The communist states are still governed as a closed society, even though the democratic expressions of the people and the opportunities for democratic expression are growing and the people are beginning to talk back--and they do. The authorities cannot do anything about this.

#### Approach--Impression of Honoring Independence

In approaching each country, the United States must think of them, or at least convey to them the idea that the United States thinks of them, as "independent," and that it wants to deal with them as that particular country. No other government but the United States Government and theirs is involved. Czechoslovakia should not be looked upon in the same way as Hungary. Once these governments get the feeling that they are being dealt with as equals, then there can be raised other problems related to other countries, even the USSR. These countries do not want to be considered "satellites," yet at the same time they do not want the Soviet Union to look on them with hostility, as moving away to join another camp. Therefore, the question of independence as a separate state, even if within the Warsaw Pact and the Council for Mutual Economic Assistance, is very important. This is no small matter.

#### Examples--Hungarian and Czech Attitudes

This jealousy of the air of national sovereignty can be detected in the following cases. When the Hungarians settled a few problems with the United States, they boasted about it. The Russians did not like this but it gave the Hungarians a feeling that they "solved" some problems on their own.

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The last complaint of the Czechs was that they have no written agreements on trade with the United States at all. And when some agreements were worked out last summer, the United States Government negotiators said they were all ready to sign in a day or two, but the United States representatives never initialed these documents, and the negotiators never came back. The Czech Government wondered whether the United States was serious or wanted concessions to make the Czechs look bad in the eyes of the Russians. The Czechs talked the same way about the reciprocal air travel agreement. They said that they have reservations and were, therefore, initialling the agreement on a month-to-month basis. The United States never explained these problems and the Czechs held back because of suspicion and "fear" of the Soviets. The Czechs state that they are not being treated as equals by the United States and therefore will not rush to sign binding agreements.

Gradual Relaxation of  
Restraints in Eastern  
Europe

In Poland the government has been trying for years to curb the church, the only non-communist organized body and opposition to the communists. Yet, the church goes on and even carries through demonstrations that have an anti-government meaning. The only time the communists succeed in winning the people to their side is when the church touches an issue (Germany) that the people particularly resent as being anti-national. Furthermore, the intellectual community in Poland has really never surrendered to the communist party (the Polish United Workers Party). The youth in the universities have not been bridled and the peasantry in the main holds to its private land and the collectivization process has bogged down. Why mention these problems? Because these prove that Polish society is not monolithic and can be reached--provided the average Polish citizen is not expected to cheer for the United States against what they consider to be their national interests. This means keen analyses and a lot of tact to advance the interests of the United States.

There are similar situations in Czechoslovakia and in Hungary. The communist regime in these countries too had to bend and allow the people to express themselves. It is no

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small thing for the Czechs to allow Austrian (non-communist) newspapers into the country. The mass tours to border countries by Hungary and the reverse flow of tourists is not only because of the need for foreign exchange although that is important. But more important is the fact that they cannot keep their society locked in. There are possibilities to advance United States interests in these new situations.

The reorganization of industry on the profit and incentive basis makes it more possible for the people to express themselves. This is true in most of these countries, including the USSR. The party can no longer dictate as it once could. To meet the needs of modern industry the communists have to use more or less democratic forms of persuasion-- they have to work according to laws and rules. In the past the communist party would dictate to a bank, a factory, or any social or cultural organization, but they cannot do these things any more. Unless the communists are tactful, they meet resistance and sometimes are met with complete passive boycott or a "silent" revolt. The communists may close a magazine or fire an editor but they must keep in mind the result of this action on the people. Sometimes the action has the opposite effect from what the party leadership desired. They are using dictatorial methods less and less.

Even in the Soviet Union they are faced with the problem of activating the governing organization form known as the "Soviets." These Soviets are organized on a local, regional, city, and national basis. The Soviets do meet but up to now all they do is vote for motions, but there is rarely discussion, debate, or the use of any initiative in these bodies. At the XXIII Congress there was a big discussion on this subject. President Nikolai Podgorny and others of the Soviet leadership made reports on how to give life to these Soviets, how the Soviets can begin to function as parliamentary institutions, that would initiate proposals, carry on debates and reject proposals when they are not good. Since the XXIII Congress, many articles have appeared in the Soviet press on how to "democratize" these bodies. This change is true not only in the Soviet Union but more so in other countries such as Poland, Czechoslovakia, even in the German Democratic Republic, Hungary, Romania, etc. This "evolution" is something to think about and analyze.

Exploiting the Opening  
Door to the West

How can the United States put forward ideas that can find reflection in this or that country's society? It can be

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said that the door has been pried open a little--let the United States continue to criticize and at the same time recognize the new. These are not simple things for governments to do. As a result of the disclosure about the Central Intelligence Agency, there may be some temporary setbacks. It may make things difficult for everybody involved in diplomacy and propaganda. The communists may become more suspicious of Americans coming to their countries for any reason. This is not in reference to tourists, but to exchange students, professors, lecturers and industrialists. There are some opinions that we should liberalize our exchange program, for we have more to gain and the communists have more to lose if the program is enlarged. The people they will send to the United States are students or professors and some undoubtedly are convinced communists. But they will bring back from the United States something about the American way of life that cannot be conveyed to them in any other way than by letting them see things with their own eyes. This is not to advocate that the United States let its guard down and let them all in--the United States must continue to be careful and vigilant.

The trade union delegations, most of whom are undoubtedly picked party members, do not always express their "inner thoughts" in their own societies. When these trade unionists come here they will be talked to by other trade unionists. They will be asked questions such as "What kind of trade unions do you have in Russia?", "Here is my paycheck, see what I earn, etc.", "These are our social benefits, etc.", "What protection do you have if something happens to you on the job?" How does their system really compare to that of the United States? Perhaps there are some published studies about wage standards, productivity, labor protection laws, etc., written by an authority on such matters. This author, if he is not known to be anti-Soviet, can really make an impression upon visitors from the Eastern European countries including the USSR.

Those who know life in these countries are convinced that the United States system would come out on top in such a comparison. There are numerous possibilities to take advantage of the loosening ties in the communist world and their movement. Labor conditions is only one avenue of approach.

There used to be talk of the Soviet empire. It is not a Soviet empire any more as it was under Stalin. But even if these countries are still tied to Moscow, the ties have become quite loose compared to 1946. But they have not yet opened up their society. When a foreigner has to fight for a newspaper as most do when they visit there, or tune in to BBC

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or the Voice of America in order to get the news, one can't call these communist countries open societies. But there are more and more opportunities, especially among the new generation, who have no ax to grind that is in the past, or any quarrels with the United States that touch upon their daily life.

### NATIONALISM IN LATIN AMERICA

There is a growing nationalism in Latin America. It would be foolish to deny this. This growing nationalism comes not from the big land owners or the wealthy of these countries, nor from the generals or colonels either, but arises chiefly from the middle classes and intellectuals who are looking for identity as a "class" representing all their people. Some of these elements, including the political leaders as well as tradesmen, will try to play off Soviet offers against the United States, "utilizing" both sides just as some countries in Europe and the Middle East utilized the "danger of communism" to wring concessions from the United States. The military dictatorships will want to add to their armaments also by utilizing the bogey of communism even if they have to exaggerate this danger. In this way also, honest nationalists may try to gain by setting the Soviet Union against the United States. But the United States should pay attention to some of these politicians or spokesmen of these middle classes. If the United States does not understand this problem of class relations and shifts in Latin America and set a realistic goal to protect United States national interests in alliance with the majority, it may just walk into a quagmire whose depth may not be fathomable.

Experience has shown that the gap between the rich and the poor in Latin America is very great, and that the people look upon the rich as selfish traitors who will not defend the interests of their country, neither from communism nor from foreign involvement (and this means the United States). There are sections of the population who are not taken in by the communists; these are not communist-minded, they have no special class interest, they do not have dealings with the communists, but are developing a new nationalism with pride in their country--they want to develop their own country. These groups will utilize the new "relation of forces" in the world to set one country against another or to wring concessions from the United States. These things have to be viewed very realistically and not from the narrow viewpoint of a military solution

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only. The danger lies in momentary solutions without the backing of the people. Such solutions only postpone things while the revolutions take root and the antagonistic feelings toward the United States grow. A realistic approach that can stop communism and cement relations between these countries and the United States is dependent on the involvement of the people in their own problems.

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SPLIT IN THE WORLD COMMUNIST  
MOVEMENT

Entire World Communist  
Movement Weakened

The split in the world communist movement is real and deep. This split began with the breakaway of the Yugoslav League of Communists and Yugoslavia from the communist camp in the late 1940's. The split was further deepened when the excesses of the Stalin terror were disclosed. Students of international communism cannot dismiss these prior events. The communist movement in almost every country began to decline at that time, and lost more influence after the XX Congress disclosures, and lost even more influence during and after the events in Hungary when the revolt of the people was put down by force with Soviet intervention.

Despite the number of organized communist parties in existence today in nearly one hundred countries, the communist movement was never so divided. Though here and there a communist party may show some strength and influence, as in the recent French elections, on the whole most of the communist parties have been weakened by this worldwide split. It can be said that the entire international communist movement, which includes the countries governed by communist parties, has been weakened as a result of the collision between the Soviet Union and China. However, these splits were minor compared to the split of the Chinese Party from the world communist movement which really began in 1958.

Sino-Soviet Differences:  
Charges and Countercharges

There is hardly any need to explain how the Sino-Soviet dispute has affected Soviet foreign policy. The struggle between China and the Soviet Union is not going to be solved in the very near future, if it is ever solved. They may reach temporary small

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agreements on this or that question, but it is doubtful that any international meeting of communist parties or socialist states can resolve the clashing interests between China and the Soviet Union. Of course, it is difficult at this stage to interpret the meaning of Mao's words "A war may throw us together again." This he raised in discussion with Kosygin and Shelepin in Peking in 1965. The Chinese differences with the Soviet Union relate not only to state problems but also to problems concerning the communist parties. We do know that Mao aimed his chief blow in the "proletarian cultural revolution" against the cadre of the Communist Party of China because they did not follow him. If the Chinese pursue Mao's present tactic of splitting every party, turning this or that faction into a pro-Peking grouping or party, an international meeting of communist parties would not embrace China nor those parties and groups that follow the Chinese line.

This continued split is bound to aggravate relations between the two important parties--the Soviet and Chinese. Not only that, it will aggravate the situation with the allies of the Soviet Union, not only in Eastern Europe but also in Asia. The Chinese are determined to take over Mongolia either in the form of an alliance or through an aggressive invasion and occupation. The Mongolians, of course, are resisting this pressure from China and the Soviet Union is unreservedly committed to the defense of Mongolia. Thousands of Soviet military advisers and troops are in the Mongolian People's Republic. There are some other countries in Asia who though they may not completely be in the Soviet camp, nevertheless, are sympathetic to the USSR because they fear China and look to the Soviet Union for aid and protection (North Korea and to a lesser degree North Vietnam).

Just as the Chinese cast doubt on the Soviet attitude toward the United States and charge the Soviet Union with "betrayal" of the cause of anti-imperialism, so in turn the Soviet Union casts doubt upon China and its attitude toward the United States. The Soviets charge the Chinese with "talking" a great deal about fighting imperialism but actually doing nothing to fight it. They point to the Chinese tolerance of the British and the Portuguese in Hong Kong and Macao. They accuse the Chinese of hindering and sabotaging aid to Vietnam. They say that China opened the gates for United States troops to invade and bomb Vietnam. They go back to the statements that Mao and Chen Yi made to Edgar Snow and to the foreign press in 1965 and 1966 that

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China would intervene only if China was invaded or Chinese sovereignty threatened. The Communist Party of the Soviet Union also uses the fact that China has up until now not permitted the establishment of Soviet air bases and depots for arms and fuel storage on Chinese soil near the North Vietnam border as further "proof" that the Chinese are not "sincerely" interested in the fate of Vietnam.

But more than that, the Soviets see dire "plots" being hatched, aimed at the Soviet Union by the United States and the present leadership of China. They refer to the hundreds of sessions that have been held between the Chinese and American representatives in Warsaw, and remark that not once did they issue an official communique. "Never do they say what they talk about," challenge the Russians. The Soviet Union also charges that a certain section of American capital is already examining the possibilities of the Chinese market and trying to determine a "price" that China would accept to reach some accommodation with United States at the expense of the Soviet Union. General discussions about China in American forums, conferences, magazines, or congressional committees are referred to by the Soviet press and its leadership as "United States plots" aimed at the USSR.

The Soviet leadership also says that the Chinese are in close cooperation with the Bonn Government against the USSR. They even charge that the intelligence agencies of China and West Germany work together to expose communists in other countries of Europe. And, finally, the Soviet Party points to the Mao Tse Tung leadership and charges them with abandoning the theories of Marxism-Leninism and substituting "Maoism" in its place. These charges are capped with the charge that China is splitting the socialist camp.

#### Advantages to United States From Split

Since the antagonisms between China and the Soviet Union are quite aggravated and will remain so for a long time, it would be best if this struggle between these two powers continues. Any tactic of discord to keep them preoccupied with their own problems and struggles would weaken both the USSR and China while the United States harbors its strength. The United States would then be in a better position if history and the situation require that it take a stand. There is no reason why the United States cannot "deal" with both of these powers if such advances United States national interests. This

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position of the United States is not based upon favoring or fighting this or that ideology. Certainly the United States does not favor the Marxism-Leninism of the Moscow variety or the Sinofied Marxism of Mao. Both of these ideologies are antagonistic to the United States and to the democratic world. But a stand can be taken on questions that strengthen or weaken United States national interests. As these national interests are strengthened or weakened, the United States affects and influences the entire world. Safeguarding national interests is not in contradiction to the role the United States has to play on a global scale. Just as the communists do not admit peaceful coexistence of ideology, the United States does not compromise its ideology while guarding its national interests.

Can it be said then that the international conspiracy is therefore no longer a threat? It is wrong to draw such a conclusion. While the lack of an "International" and the continued split has weakened this conspiracy, grave portent lies in the existence of a number of "centers" that would like to lead this worldwide conspiracy or to lead it on a "continental" or "regional" basis.

#### Chinese Splitting Activities

The Chinese leadership is building a world center. The Chinese have created a split in every communist party. In some parties they may only have a small group or a faction, but no matter, the small group or faction gravitates around China and is supported by China ideologically and materially. These groups carry on their work against a particular government or institution in keeping with the demands and slogans of China. In some parties the pro-Chinese faction or group is very powerful. This is true not only in some of the Asian socialist countries, in Korea and Vietnam, but it is also true outside the socialist orbit. For example, the pro-Peking faction in India is said to be stronger and in the last elections came out even ahead of the official pro-Moscow Communist Party of India.

The Chinese use exactly the same methods as the Soviets in trying to influence or retain a hold on the communist parties all over the world. Even in the United States this is known to be a fact, for the Chinese influence not only the Progressive Labor Party which calls itself communist and does not hide its affiliation with Peking, but also some so-called "non-communist" organizations or associations. Such publications

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as the National Guardian, the Monthly Review, Minority of One, the Far East Reporter, Spartacist, Hammer and Steel, etc., are under the influence and in the grip and pay of Peking. Some of the guerrilla bands that operate in a number of countries in Latin America received their first training in China and were sent back in a conspiratorial manner to split the various parties and to impose upon them a policy of armed struggle.

#### Cuban Splitting Activities

In the Americas, Castro is now playing the same role as the Chinese played in the early 1960's. Castro has openly stated that he wants hegemony over all the parties in Latin America and that they must submit to the will and demands of Cuba. Since he did not have his way, he organized factions and groupings in a number of Latin American parties. Even the big parties in Latin America (Argentina, Brazil, Chile, Venezuela, Guatemala) are no longer united. When "Che" Guevarra left Cuba it was said that his mission was to organize these factions in guerrilla units and carry out the slogan of turning the Andes into the Sierra Maestras of the Americas. We know that Castro in a dictatorial manner has virtually liquidated the old Communist Party of Cuba, that some of the most powerful leaders of the old Communist Party in Cuba have been exiled, jailed, or demoted. The few that remain occupy posts that are of little significance in the governing of Cuba. Fidel Castro, since he has taken over that party, has placed his young followers into every position of importance.

Castro has challenged not only the communist parties of Latin America but also the international communist movement including the Soviet Party. He is using the same phraseology as the Maoists in China use, that is, that most communist parties are not revolutionary. He has recently served notice that he will work with and unite with every group, whether it is communist or not, that wants to "make revolution." He coined the phrase that "it is the business of revolutionaries to make revolutions." The majority of parties in Latin America have suffered splits but in the main, especially the bigger parties, they have not submitted to Castro's dictates. The conference of Latin American parties that is scheduled to be held in July, 1967, it is rumored, will not be held since most of these parties, as Pablo Neruda indicated during his last visit to the United States, want neither to endorse Castro at this time nor openly condemn the Cuban revolution, the first of its kind in the Western Hemisphere.



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Resistance of Communist Parties  
to Any New "International"

The split in the world communist movement is going to continue for a long time. There are some communist parties, like those in Scandinavia, for example, who have become totally "neutral" and unaffiliated. The Italian Communist Party has up to now resisted the formation of an international organization of communists. The Italian communists and some other communist parties of Europe do not even favor an international meeting of communists at this time. If it were not for the war in Vietnam, it would be almost impossible at this time to call together an international meeting of communist parties. The fight to support Vietnam against the United States and the fight for peace does to some degree bring these communist parties together and may at some time in the future, if not this year perhaps next year, lead to an international meeting. But the split in the world communist movement is real and will continue.

Most communist parties will now admit that it is no longer possible to bring the Chinese back and obtain unanimity in the world movement and that there are other reasons for continuing to operate without an international authority or center. The Soviet Party is even ready to admit that an international center cannot be organized and perhaps a world center like the old Communist International or the Cominform is not needed. But periodic international meetings that draw up resolutions and adopt a common line would be useful and necessary. The Communist Party of the Soviet Union has already taken steps to organize its own international "center." It has organized the "Institute for World Labor Relations" employing a staff of three hundred fifty people. This Institute (the name of which has also been variously translated by Novosti Press Agency as "Institute of International Workers Movement" and "Institute of International Working Class Movement") has already held its first conference on April 12, 1967, which was attended by many important leaders of communist parties and at which papers were read from leading communists from throughout the world, including one by Gus Hall, General Secretary, Communist Party, USA. This Institute is now making contacts and dispensing funds to build its authority internationally. Should a world united center come into being, this Institute can always be of use or an appendage.

Why is it that most parties resist the formation of another international or even an international meeting? A

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number of communist parties in capitalist countries, while giving allegiance to the idea of international solidarity and the need for a common front to fight for peace and against imperialism, do not want to submit to the hegemony or influence of a foreign power. The communists in the western world have been branded as foreign agents. In many cases they are called Soviet agents or Chinese agents, etc. Some of the bigger parties like the Italian or French, as well as some of the Scandinavian parties, feel that the reason for their inability to increase their influence and to gain the support of the masses is due to the feeling among the people that the communists are stooges of a foreign power, and in many cases closely linked with espionage activity or activities not in their own national interests. Some of the parties having been affiliated with the old International from its very beginning, feel that this is the opportunity to shake loose the chains of foreign control. These parties, although pledging loyalty to Marxism-Leninism in general, begin with a program that they believe advances their national interests. They hope in one way or another to win a bigger following and eventually even obtain power or participate in the government with other socialist groups. This is why some of the same parties do not want the organization of an International.

National Interests Produce  
"Many Roads to Communism"

The communist parties from the Western countries have for tactical reasons abandoned the old dogma of armed insurrection. Even the revised communist doctrine about the two ways to power, the peaceful and non-peaceful, is outmoded. The Western traditions dictate that they place the emphasis on the peaceful and parliamentary way to communism. Marxism-Leninism does not allow the complete exclusion of the armed or non-peaceful road. But practical politics dictate differently. Most parties want to formulate their own doctrine. It is now fashionable to speak of the "British road to socialism" or the "Italian road to socialism," etc. Many communist parties have given this name to their programs. For this reason, a number of parties do not want an International. Some of these parties also want to close the gap between themselves and the social democrats in order to realize their ambition of participation in government. They know that if somehow or other the label of foreign agent sticks, they cannot hope to participate in government even in unity with the social democrats.

This situation in the world communist movement is of importance to the United States. When communists speak of a struggle against "imperialism" they mean first of all the United

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States. In the last international statement issued by the eighty-one party meeting of communist parties held in Moscow in December, 1959, the only power that they named was the United States and they branded the United States as the "gendarme of the world." It is evident that a disunited communist conspiracy is better for the United States and the entire world.

Methods of Exploiting Split  
for United States Advantage

The United States should learn to take advantage of this situation. First of all, the United States should help to deepen the ideological split and find forms to participate in communist debates in order to defend democracy. It should be shown that there cannot be a variety of roads to socialism and that a belief in the "theory" or dogma based on the so-called "scientific laws," which say that despite variations the general laws apply to all countries, means that one must follow others and go against one's own national interests--the interests of the people.

Next, there should be utilized broad propaganda appeals to the party membership of the various parties showing why they are rejected by the masses of people; that whether they were conscious of it or not they were pawns of the Soviets or the Chinese or some other foreign power all under the guise of a "noble aim," that is, the achievement of socialism. The technique of comparison can be utilized to good advantage for this purpose. When talking to European countries, this propaganda should show the inadequacies of the Soviet type of socialism or the Polish brand, or the Czech brand by comparisons to the standard of living of nearby countries in Europe. The comparison should be to the standard of living in Japan, if talking about the people in Asia, or comparison to the more advanced countries in Latin America if talking to the Cubans or other Latin American countries whose workers or peasants look to Cuba as an example. In some instances articles or stories should be very skillfully planted that praise this or that leader of a communist party; for example, the leader of the Swedish Communist Party is now the most ostracized and condemned person in the Soviet Union. But the Swedish communist leadership has succeeded in influencing the Norwegians and to a large extent the Danes have gone through a split in the communist party.

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The split-off group in Denmark is more powerful than the official group that retained the title communist party. Exposure of foreign communist conspiracies should be intensified, even if they cannot now be called totally a Moscow conspiracy. The splinter groups (leftist) tend to become more hostile to free society and more pliant tools in the hands of the Chinese or the Cubans.

Three "Centers": Moscow,  
Peking, Havana

The world is now confronted with at least three communist centers. The Soviet Union still is the most powerful and influential of these centers and still retains the allegiance of more parties and people than the others. Nevertheless, it is necessary to point out that those who listen to or work in keeping with the lines of Peking or Havana or Moscow are working against their own countries, against the best interests of their people, and they can no more be a "free agent" working with Peking than they can be working with Moscow. Many communists of different countries will pay heed to such appeals. If these things are done directly in the name of the United States at this particular juncture in history, they are handicapped to start with, mainly because of the war in Vietnam and the successful propaganda of the communist powers, as well as the communist parties and their followers and pacifists all over the world. But this course must be pursued with persistence because the situation is bound to change and most ordinary people who belong to a communist party almost instinctively do not want to act against the best interests of their own country. If there is a split in the peace movement in the United States, it will be because of this.

Meeting the Cuban Threat  
in Venezuela

In meeting the Cuban threat, perhaps as it affects the struggles in Venezuela, a review might be given in cooperation with someone who knows the communist party of what happened to the Communist Party in Venezuela, of what happened after the dictatorship was overthrown, and how the communist party had obtained its legality and did utilize the democratic processes that were available to them. When they used it briefly, they were able to influence the working class and other sections of

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the population. But when they embarked upon an adventurous road, influenced by a foreign power that supplied the weapons and ammunition which killed Venezuelans and harmed their country, the communist party lost its influence among the people and hurt the struggle of those who are fighting against dictatorships and for democracy in other countries of Latin America.

This may seem like an "appeal" to the communists, but it is well to remember that the Communist Party of Venezuela is split into two factions, that both groups are trying to win the allegiance of the youth, and that Fidel Castro is personally responsible for the split and the attacks against an imprisoned and "martyred" leadership. Many Venezuelan communists therefore resent Castro's and Cuba's "interference." Why not utilize this "resentment" to hit at Cuban communism?

The Communist Party of Venezuela has dissipated its influence; the working people did not follow it or join in the campaign of terror. The resistance of the government and the people broke the back of the armed struggle. The Communist Party of Venezuela wants to change tactics but Fidel Castro wants them to serve Cuban interests instead. He tries to take over their organizations through his own agents (Douglas Bravo). The university has been closed down as a terrorist headquarters--the youth is disillusioned and the majority of the Communist Party of Venezuela feels the sting of defeat. The Communist Party of Venezuela leadership is conducting a worldwide campaign against Fidel Castro's methods and is receiving support from most of the communist parties in Latin America.

Since the Cuban threat in Latin America is important to the United States, it would serve United States interests to encourage those who are fighting Castro and his terrorist bands. Many Venezuelan communists and sympathizers will listen. The Communist Party of the Soviet Union supports the official Communist Party of Venezuela and will not directly give arms to the Castro wing. The deepening of the split is to the advantage of the United States even if communists have to be utilized to disarm the fanatical Castroites in Venezuela. In the appeal to the Venezuelans, there is the theme of the worsening conditions in Cuba which can be emphasized--the continued terror under virtual slavery with no benefits coming to the working man or peasant. The standard of living in Venezuela, though not high, can be compared to the poorer conditions in Cuba since Fidel. The question is how to take advantage of the split in the ranks of communism.

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SOVIET-CUBAN SPLIT IN LATIN  
AMERICAN COMMUNISM

Castro Fans the Flames  
of Revolt

The biggest problem next to the war in Vietnam is that in Latin America. In a number of countries in Central and South America there are symptoms of revolt and the beginnings of guerrilla warfare. The roots of this discontent are well known to the United States. For this reason the United States is trying hard economically, politically, and socially to get at the root cause of poverty and oppression in Latin America. Castro is working just as hard to fan the flames of discontent and revolt--to organize the poor against the United States, to inflame the youth and the middle classes against "Yankee imperialism." But while Castro has the economic support and still receives arms from the Soviet Union and other socialist countries, there is a growing split between these countries and Cuban communism. The Soviet Union and other countries will not permit themselves to become instruments in Castro's hands. The USSR will continue to trade and establish relations with as many countries of Latin America as they can. Castro's shrill cries of condemnation will not stop the USSR from pursuing its own national interests. The Soviet press may demand the freedom from prison of Gilberto Vieira, the Colombian leader of the communist party, but at the same time they will sign agreements with the Colombian Government. They will not repudiate Cuban communism but the socialist bloc will not be led into armed adventures in Latin America.

Utilizing the Split for  
United States Advantage

For the United States this split between Castroism and the Soviets is most important and should be utilized in a way which lessens the danger of guerrilla wars in Latin America, and which at the same time holds the Soviet and Chinese communists back or reduces their influence. Because of the growing and widening split between the other Latin American parties and Castro, and the cooling off of the fraternal "partnerships" between the communist bloc and Cuba, the United States is in a position to expose the Castro failures. The United States is also in a better position to use political pressure on the USSR and its lesser allies to stop aiding Castro or fall victim to the charge that they, too, are spreading the

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armed conflict into Latin America. The United States can demand that the USSR show by deeds that they do not endorse the Cuban adventures. In using the word "demand" it is not placed in a belligerent manner--more as an exposé and pressure.

The USSR will not send arms directly to the various guerrilla bands. In keeping with their general policy of avoiding a hot war, they will not do this, especially after the failures in Cuba and Venezuela. They cannot at this stage control these guerrilla movements, and therefore they will not assume the responsibility of arming them. Of course, if the USSR is placed in a position where they have to publicly repudiate Cuba or some of the other guerrilla movements, they will not do this. Since Vietnam, they will avoid the charge that they have "betrayed" a socialist revolution or a war of liberation. If they can retreat while saving face and at the same time receive the support of some other communist parties in Latin America, they will do so. They will do this, not because the United States wants them to, but because they will not involve themselves in a situation that would endanger their main policies.

Communist Party of Brazil  
Under Pressure

At the present time it is important to watch the large communist parties in Latin America. They will influence the Soviet position in this area of the world. The Communist Party of Brazil (Moscow oriented) will hold a party congress soon. Although Luis Carlos Prestes, the leader of the Communist Party of Brazil, was the first to split with Castro regarding tactics in Latin America, he may under pressure of the Brazilian situation (the defeat of Joao Goulart and the outlawing of the communist party) revert to the line of guerrilla warfare. It is not unusual for communists to change tactics and resort to devious maneuvers. The Chinese and Castroites have split the Communist Party of Brazil and set up their own groups, bands, and parties. This pressure may cause Prestes to regroup his forces and once again utilize his old title as the "Knight of the Jungle" to organize a guerrilla war.

The Soviet Union in such a situation may offer aid, even if indirectly. They would then once again draw closer to Castro or give him the task to deliver the arms. They might do this also to avoid permitting the Chinese to step in and arm their own bands that would be anti-Soviet from the very beginning.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Issues in the Propaganda  
War: Cuban Dictatorship,  
Trade Unions Right to  
Strike, Cuban Interference

In the light of the foregoing, the propaganda war in Latin America takes on new importance. Consideration might well be given to developing the propaganda war around certain salient issues:

1. Emphasizing the differences between Castro and the other communists of Latin America and the world; ||
2. The deepening rift between Castro and the USSR; ||
3. Exposing the Soviet Union for its duplicity, hiding behind the cloak of Castro to help guerrilla bands, while at the same time preaching "non-interference in the internal affairs of other countries"; ||
4. The Soviet Union by arming Castro ("The island of Cuba is sinking into the sea by the weight of armament," according to one leading Soviet) is starting an arms race in all Latin America. |||

Can such a campaign in Latin America lead to good results, favorable to the United States? It can, if recognition is given to the social and political evils that exist in these countries. The solution does not lie in war, even if such a war is led by Castro. Castro is held in contempt by the leadership of the USSR and by communist leaders in most communist parties. Exposure of Castro as an adventurer and dictator (he is still afraid of a democratic election) would receive a sympathetic ear among those who believe in peace and the democratic practices. The Communist Party of Chile had to face up to this question and gave Castro some sharp answers when he criticized their parliamentary efforts, their united front and Pablo Neruda's participation in literary discussion with United States writers. The Chileans were applauded by nearly all Latin American parties and Latin American intellectuals for this stand not so long ago.

In the Latin American propaganda battles, the technique of talking to the people must be mastered. Some countries, not all, can stand comparison with communist Cuba. Argentina, Chile, Venezuela, Uruguay, and perhaps others can be used as examples.

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

The liberty to strike is the most precious thing for a trade unionist. The Castro regime has outlawed strikes as have all communist dictatorships. Strikes and insurrections are synonymous for Fidel Castro. Venerated old trade union leaders (not of the Batista gang) have been ousted and persecuted. Opinion makers in the United States have knowledge of these facts. Without defending the terroristic dictatorships in some of these countries, comparisons can be made on this subject of the right to strike as it applies under the conditions in the above-named countries as opposed to present-day Cuba. The Latin American concept of "strike" is different than the North American concept and therefore for that very reason it is a subject for discussion and interest.

The Soviet Union, a country thousands of miles away from America, is responsible for maintaining communist Cuba and Fidel Castro's dictatorship. Castro should be called a dictator. The main fire when aimed at Castro will win approval from a lot of Cuban communists and from most leaders of communist parties in Latin America. As already pointed out, these communist leaders from Argentina, Brazil, Chile, Mexico, Uruguay, Venezuela, and other countries have been in a running fight with Castro since his emergence from the Sierra Maestras.

If factions exist in some of these parties, and they do, Castro helped to organize them. It is obvious therefore that these communist leaders have no use for Castro as a person (he is called the "bearded cult") nor for his policies and tactics. These communists fight as hard as anyone against the United States. But they refuse to knuckle under to Castro's dogmas handed down to them in dictatorial fashion. Their own national interests as well as their Marxist training caution that they must differ with Castroism. Most of the parties named no longer send people to Cuba for any kind of training. Previous "schools" in Cuba gave birth to pro-Castro groups upon return to their country. Guatemala is one such example-- Castro created a guerrilla force that until recently was independent of the communist party and often rejected party leadership and tactics. The same thing happened in Venezuela.

Exploiting the Split to  
Curb Influence of Both  
Cuba and Soviet Union

In the struggle between China and the Soviet Union,  
most Latin American parties overwhelmingly endorse Moscow.  
They would not want to submit themselves to another country in

~~CONFIDENTIAL~~

Latin America that they believe would dominate them. The question is how to utilize this situation. This is something to think about and study.

An interesting parallel can be drawn between the European Common Market and the proposed Latin American Common Market. Perhaps the United States can profit from the experiences of the former in implementing the latter. There is no common viewpoint among communist parties in Europe about the Common Market. The French originally were against the Common Market. They took the same point of view as the Russians that the Common Market is an instrument that will be used against the socialist bloc. The Italian communists did not agree with this. They said they were more concerned about the Italian people getting employment. They engaged in sharp polemics with the Russians and the French. The Italian communist leaders even suggested at one time that the Soviet Union make an effort to reach an understanding with the Common Market. On the other hand, the British communists were against joining the Common Market.

But Latin America is quite different than Europe. A number of countries are very backward, they produce very little industrial goods, and most of the production is raw materials or agricultural products. Capital investments, in the main, come from the United States. The communists and nationalists charge the United States with monopoly and imperialism. But there are some sections of the people in Latin America genuinely interested in the welfare of the people and in an expanding economy. Some honest nationalists and perhaps communists may take the same position on the Latin American Common Market as communists did in Europe and agree to work with the United States. This did happen in some European countries; so, this could happen in the more developed countries of Latin America--Argentina or Chile, and perhaps others. This approach is worth probing, providing the United States shows that this cooperation is not for the selfish benefit of investment houses or the oligarchies, but can serve the national interests of the countries involved and help guarantee their independence. This is more than Castro will do or can do. The Soviet-oriented bloc may offer such cooperation in competition.

The opportunity exists for taking advantage of splits, whether ideological or organizational, and influencing splits in a practical way. This will reduce the influence of communism of both domestic and foreign varieties, and particularly check Castroism and the dominance of the Soviet Union. The United

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

States can ask some challenging questions: What can the Soviet Union supply to these countries that would really be of economic help to them? The Soviets have not been able to supply even their own people. The USSR and other socialist countries had to buy grain--the Soviet Union, the biggest agricultural nation in Europe, could not supply them with bread or rice.

Placing the emphasis on the split in communist ranks and how to utilize it in Latin America is in keeping with the contemporary world situation. One might say such opportunities should not be lost because of political hesitancy. Economic and political situations develop or change, and the United States in the world struggle, particularly in Latin America, can "miss the boat," and thus allow the communists another advantage or even the start of another war of liberation. In each country there are power plays that go beyond classes. For example, the Goulart government was not a communist government; nevertheless, they were a threat. They represented a bigger danger than the communists because the communist party did not have the influence of the Goulartists. The communist party utilized the tactic of the united front with what they called "national elements." The United States will need to find allies in the very lowest strata of the population to check the influence of the Soviet Union and its allies, and the communist parties of Latin America who carry out the general Soviet line in a concrete way opportunistically, when necessary under flags of national independence. Unless the United States shifts the foundations of economic and political alliances to the lower classes including the middle classes and the intelligentsia, it will face more guerrilla wars under the leadership of Castro imitators.

~~CONFIDENTIAL~~

~~ROUTE IN TELETYPE~~  
~~SECRET~~

(IS) 100-428091

BY LIAISON

Date: May 10, 1967 1 - Liaison  
1 - Mr. R. C. Putnam  
To: Director  
Bureau of Intelligence and Research  
Department of State  
From: John Edgar Hoover, Director  
Subject: COMMUNIST PARTY, USA  
INTERNATIONAL RELATIONS

3-11-67  
delivered  
6/10

(9/10)

The following was supplied by sources which have furnished reliable information in the past.

During early April, 1967, Gus Hall, General Secretary, Communist Party, USA (CPUSA), directed communications to leaders of communist parties in Europe in an effort to secure an invitation for the CPUSA to send an observer to the conference of European communist parties held April 24-25, 1967, at Karlovy Vary, Czechoslovakia.

It has been learned that Hall received only two replies to his letters. John Gollan, General Secretary, Communist Party of Great Britain, indicated his opposition to the CPUSA sending an observer to this conference. Gollan stated he would not even propose the matter to the communist parties who were acting as hosts for this conference. Gollan drew an analogy to the effect that if the governments of European countries were to hold a conference to discuss European problems, they would not invite the United States Government to participate. In like manner, Gollan saw no reason why the CPUSA should be invited to send an observer to the conference at Karlovy Vary, Czechoslovakia.

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REC 6

6 MAY 12 1967

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

RCP:cst/brr  
(6)

~~Group I~~  
~~Excluded from automatic~~  
~~downgrading and~~  
~~declassification~~

SEE NOTE PAGE THREE

BY COURIER SVC.  
5 4 MAY 1967  
COMM-FBI

MAIL ROOM  TELETYPE UNIT

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~~SECRET~~

Director  
Bureau of Intelligence and Research

Luigi Longo, General Secretary, Communist Party of Italy, did not reply personally to Hall's letter but allowed one of his Party's secretaries to answer it. This reply merely said that the leadership of the Communist Party of Italy would consider the matter.

The nature of the replies to his letter made Gus Hall very angry. He sent James Jackson, Chairman of the International Affairs Commission of the CPUSA, to the Czechoslovak Mission to the United Nations in New York City to obtain the views of the Communist Party of Czechoslovakia regarding this matter. Jackson was informed that there were no "observers" at the conference at Karlovy Vary, Czechoslovakia. This position was adopted by the organizers of the conference, the Communist Party of France and the Polish United Workers Party, because they were afraid that some European communist parties would want to attend the conference only as "observers" without participating in the discussions or signing the statement to be issued at the end of the conference. Therefore, it was decided that communist parties attending the conference must either attend and fully participate or stay away completely.

Hall was also upset over the information obtained from the Communist Party of Czechoslovakia. His anger was not decreased by the additional excuse used by the Communist Parties of Great Britain, Italy and Czechoslovakia that Hall's letter arrived too late for serious consideration, for Hall knew his letter was received by all participants three weeks before the conference. In addition, the reports by news media that at least one communist party present at the conference refused to sign the statement issued at the conclusion further irritated Hall. Hall is of the opinion that the negative reception to his proposal to have an observer of the CPUSA at the conference was a reflection of petty nationalism on the part of the communist parties contacted.

1 - Director  
Central Intelligence Agency

Attention: Deputy Director, Plans

~~SECRET~~

~~SECRET~~

Director  
Bureau of Intelligence and Research

NOTE:

Classified "~~Secret~~" since unauthorized disclosure of this information could result in the identification of the source (CG 5824S\*) who is of continuing value and such revelation could result in grave damage to the Nation. CG 5824S\* is referred to as "sources" in order to further protect the identity of this valuable informant. Data extracted from Chicago letter 5/4/67 captioned "Solo, IS - C."

~~SECRET~~

~~TOP SECRET~~

# ROUTE IN ENVELOPE

- 1 - Liaison
- 1 - Mr. R.H. Horner

*Y*

(IS) 100-428091

BY LIAISON

Date: May 8, 1967

To: Director  
Bureau of Intelligence and Research  
Department of State

From: John Edgar Hoover, Director

Subject: CELEBRATION OF THE 50TH ANNIVERSARY  
OF THE GREAT OCTOBER SOCIALIST REVOLUTION  
BY THE UNION OF SOVIET SOCIALIST REPUBLICS

*Solo*

*5-10-67*  
*W. J. ...*

A source which has supplied reliable information in the past furnished the following.

The Committee of Youth Organizations of the Union of Soviet Socialist Republics (U.S.S.R.) has extended an invitation to the Communist Party, USA (CPUSA), to send two members of its Youth Commission to the Soviet Union to participate in the 50th Anniversary Celebration of the Great October Socialist Revolution. Foreign participants are expected to arrive in Moscow, U.S.S.R., on July 14 and 15, 1967, and to be in Leningrad, U.S.S.R., for the opening ceremonies by July 24, 1967. The closing ceremony will be held on August 3, 1967.

Prior to the meeting, participants will be given broad opportunities to familiarize themselves with the achievements of the Soviet people in the building of a Soviet society, with living conditions of Soviet youth, and activities of Soviet youth organizations.

To accomplish this, tours of the Soviet Union will be organized to give visitors as broad a view of the Soviet Union as is possible.

*REC 6 / 100 - 428091 - 6253*

This source further advised that as a part of its 50th Anniversary Celebration the Committee of Youth Organizations is planning a tour of the Soviet Union for journalists of youth newspapers and magazines. These tours

- son \_\_\_\_\_
- Coach \_\_\_\_\_
- er \_\_\_\_\_
- c \_\_\_\_\_
- per \_\_\_\_\_
- John \_\_\_\_\_
- rad \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- on \_\_\_\_\_
- van \_\_\_\_\_
- el \_\_\_\_\_
- ter \_\_\_\_\_
- Room \_\_\_\_\_
- es \_\_\_\_\_
- y \_\_\_\_\_

RHH:dmk  
(6)

~~TOP SECRET~~

SEE NOTE PAGE TWO

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

*PHS*

*W. J. ...*

MAIL ROOM  TELETYPE UNIT

~~TOP SECRET~~

Director  
Bureau of Intelligence and Research  
Department of State

will be taking place during the period April 29 to June 1, 1967, and will encompass visits to places of revolutionary events and battles, industrial enterprises, collective farms and educational institutions, and publishing establishments. The expenses for these tours are being paid for by the Central Committee of the Leninist Young Communist League of the U.S.S.R. and the Committee of Youth Organizations of the U.S.S.R.

A representative of the CPUSA magazine, "Young Communist," has been invited to take part in this tour.

The source has advised that as of this date it is not known if a representative from the CPUSA magazine, "Young Communist," had departed for this tour.

Because of the sensitive nature of the source which furnished this information, this communication is classified "~~Top Secret~~."

1 - Director BY LIAISON  
Central Intelligence Agency

Attention: Deputy Director, Plans

7071-  
b6  
b7c  
5/16/67  
[Signature]

NOTE:

Classified "~~Top Secret~~" since unauthorized disclosure of this information could reveal the identity of the source (NY 694-S\*) who is of continuing value and such revelation could result in exceptionally grave damage to the Nation.

Information was obtained by the source from Nikolai Mostovets, head of the North and South American Section of the International Department of the Central Committee of the Communist Party of the Soviet Union, while on Solo Mission 23.

Data extracted from New York airtels and LHMs dated 4/28/67, captioned "Solo, IS-C."

~~TOP SECRET~~



UNITED STATES GOVERNMENT

*C*  
*W*  
**Memorandum ROUTE IN ENVELOPE**

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. Conrad *RC*

DATE: May 10, 1967 *we*

FROM : *C* F. Downing

SUBJECT: *0*  
**SOLO**  
**INTERNAL SECURITY - C**

*C. Conrad*

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S\* who has been receiving communications transmitted to him by radio.

On 5/10/67, transmissions were heard by the Bureau's radio station at Midland at scheduled times and frequencies but no messages were transmitted.

ACTION:

*5-8*

For information.

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

*97*

*HS:drv*  
*(7)*  
*[Signature]*

REC 6

*100-428091-6254*

6 MAY 12 1967

*FIN 6*  
65 MAR 16 1967

*4*

**ROUTE IN ENVELOPE**

Date: 5/1/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO  
IS-C

*Handwritten notes and signatures on the right side of the header area.*

Re New York teletype dated 4/20/67; NY airtel dated 4/21/67; and NY airtel dated 4/24/67, all captioned as above.

Upon his return from the Soviet Union on 4/18/67, NY 694-S\* stated that while there he had been interviewed extensively by a representative of the Security Branch of the International Department of the Central Committee of the Communist Party of the Soviet Union. He stated that this individual had introduced himself as "VLADIMIR", and during the course of interviews described himself as "man in charge of security for the Central Committee". The source advised that "VLADIMIR" had questioned him in detail regarding every phase of the SOLO operation from its inception up till the present date.

On 4/25/67, photographs of "VLADIMIR MIKHALOVICH KAZAKOV", (Bufile 105-97460; NY file 105-47304), were exhibited to NY 694-S\*. The source immediately identified the individual in these photographs as VLADIMIR.

**REC 6**

- 3 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46-SUB B) (RM)
- 1 - New York (105-14931-SUB C) (TALANOV) (341)
- 1 - New York (134-91) (INV) (41)
- 1 - New York (100-134637) (41)

*100 428091-6255*

JFL:gmd  
(8)

*5-8*

Approved: *AMG* Special Agent in Charge Sent \_\_\_\_\_ M Per \_\_\_\_\_

*Handwritten notes in the left margin: "Solo" and other illegible text.*

# ROUTE IN ENVELOPE

- 1 - Mr. C. D. DeLoach
  - 1 - Mr. J. P. Mohr
  - 1 - Mr. N. P. Callahan
  - (Attn: Mr. M. F. Row)
  - 1 - Mr. W. C. Sullivan
  - 1 - Mr. C. D. Brennan
  - 1 - Mr. M. J. Rozamus
  - 1 - Mr. R. C. Putnam
- 5/9/67

SAC, New York (134-91)

Director, FBI (100-428091)

PERSONAL ATTENTION

NY 694-S\*

*(Solo)*

*mf/...*

Reurlet 5/4/67 recommending that NY 694-S\* be given a cash award of \$1,000 for having subjected himself to extraordinary risks on Solo Mission 23.

You are authorized to present NY 694-S\* with a cash award in the amount of \$1,000 in recognition of his successful completion of Solo Mission 23. This award should be personally presented by you or SAC, Honey. At the time you make this presentation, you are to orally express my appreciation for the informant's services.

Any pertinent observation you may have relative to the reaction of NY 694-S\* to the cash award should be furnished the Bureau.

RCP:cst  
(10)

NOTE:

See memorandum C. D. Brennan to Mr. W. C. Sullivan, dated May 8, 1967, captioned "Solo, Internal Security - Communist," prepared by RCP:cst.

MAILED 6  
MAY 9 - 1967  
COMM-FBI

REC 6

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

FBI READING ROOM

MAIL-ROOM  TELETYPE UNIT

*100 - 428091 - 6256*

MAY 10 1967

# ROUTE IN ENVELOPE

5/12/67

CODE

TELETYPE

URGENT

1 - Mr. C. D. Brennan  
1 - Mr. R. C. Putnam

SENT BY CODED TELETYPE  
TO SAC CHICAGO (134-46 SUB B)  
FROM DIRECTOR FBI (100-428091)

SOLO, INTERNAL SECURITY - C.  
REURAIRTEL MAY ELEVEN LAST.

TAKE NO ACTION IN MATTER REFERRED TO IN REAIRTEL.  
PENDING FURTHER INSTRUCTION FROM THE BUREAU.

RHH:dmk  
(4) *dmk*

NOTE:

By reairtel Chicago set forth an elaborate and complicated scheme to reimburse [redacted] for stocks currently held by them by the use of SOLO funds. This being necessary in view of current probe into stock transactions by SEC. An answer to Chicago regarding this scheme cannot be properly made without extensive consideration at the Bureau. Chicago in reairtel set out a UACB deadline of 5/15/67, for placing this scheme in effect. The need for such a short deadline is not apparent from Chicago airtel. Teletype being used to postpone Chicago's execution of their plan in view of the short deadline set by them.

b6  
b7c

VIA TELETYPE  
MAY 12 1967  
8-05 PM ACS  
ENCIPHERED

NR. 102300  
ENC. *[initials]*  
CK. *[initials]*  
APPROVED BY *[initials]*  
TYPED BY *[initials]*  
LOGGED BY *[initials]*

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

*13 1967*  
*13 1967*

*1967 5*  
*REC 48*

*100-428091-6257*

6 MAY 15 1967

MAIL ROOM  TELETYPE UNIT

ROUTE IN ENVELOPE

5/16/67

Airtel

1 - Mr. R. C. Putnam

To: SAC, Chicago (134-46 Sub B)

From: Director, FBI (100-428091)

SOLO  
INTERNAL SECURITY - COMMUNIST

Reurairtel 5/11/67 outlining procedure for CG 5824-S\* to purchase stock held by [redacted] of Communist Party, USA General Secretary Gus Hall.

b6  
b7c

The procedure outlined in reairtel is not acceptable. It fails to provide a legitimate source for the \$30,000 to be withdrawn from Solo funds to finance this purchase. The prime consideration to be kept in mind at all times is the security of the Solo Operation. It is known that a major area of interest in the investigation currently being conducted by the Securities and Exchange Commission (SEC) and the U.S. Attorney in New York City is the possible use of "hoodlum money" in stock transactions.

b6  
b7c

The sale of the stock by [redacted] at this time will not remove her from consideration for interview if the investigators decide to interview holders of stock in Hercules Gallion and the First National Bank of Lincolnwood, Lincolnwood, Illinois. If questioned on her stock, now or in the future, she would obviously state she had sold her stock to CG 5824-S\*. In tracing the sale, the investigators would attempt to determine the source of funds used to purchase this stock. An unexplained source would immediately flag this transaction as one which could mean the possible use of "hoodlum money."

MAILED 25  
MAY 15 1967  
COMM - FBI

REC-2 100-428091-6258

Re-examine this problem and submit new recommendations prior to any action taken by the informant. Every effort must be made to avoid having CG 5824-S\* involved at this point in transactions covering the stocks because this would serve to focus further attention on his activities and lead to searching inquiries by the SEC.

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

1 - New York (100-134637)

6 MAY 16 1967

SEE NOTE PAGE TWO

RCP:dmk (5)

MAIL ROOM  TELETYPE UNIT

Airtel to Chicago  
RE: SOLO  
100-428091

NOTE:

CG 5824-S\* invested Solo funds in stock in Hercules Gallion (manufacturing firm) and First National Bank of Lincolnwood, Lincolnwood, Illinois, in the name of [redacted] on instructions of Hall. Stocks are among those being investigated by SEC for alleged manipulation possibly with "hoodlum money." Hall is aware of the investigation and instructed informant to sell stocks and reinvest money in U.S. Bonds. Dumping stock on market at this time will result in sizeable loss. To retain Hall's favor, informant proposed purchasing stock himself. His personal funds are not sufficiently liquid at this time and he proposed taking \$30,000 from Solo funds and placing checks for that amount in safety deposit box to be redeemed after 7/1/67 when his personal funds become available. Proposal suggested by Chicago not acceptable. Chicago being instructed to consider alternatives to fully protect security of Operation.

b6  
b7c

# ROUTE IN ENVELOPE

FBI

Date: 5/11/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO  
IS C

*Handwritten initials and scribbles*

As the Bureau is aware, for the past several years CG 5824-S\* has been under constant pressure from GUS HALL, General Secretary, Communist Party (CP), USA, to invest money from CP, USA Solo funds for the benefit of both the CP as well as [redacted]. Such investments have been made by CG 5824-S\* with a substantial part thereof accruing to the benefit of [redacted]

[redacted] of New Haven, Connecticut. The investments accruing to the [redacted] have included the purchase of a substantial number of shares of stock in the First National Bank of Lincolnwood, Lincolnwood, Illinois, as well as a number of shares in the Hercules Gallion Corporation, Lima, Ohio. These particular stock purchases were specifically in the name of the [redacted]. As of the present time the [redacted] still have all the original shares purchased for them in the First National Bank of Lincolnwood, as well as approximately 1,000 shares of stock in Hercules Gallion Corporation. This latter stock is now selling on the American Stock Exchange at a price approximately \$1.00 below that at which it was purchased.

b6  
b7C

On his return to Chicago on the evening of 5/10/67 and again on the morning of 5/11/67, CG 5824-S\*

*Handwritten notes on left margin:*  
5/11/67  
CG  
TRJ

- 3 - Bureau (RM)
- 1 - New York (100-134637) (RM)
- 1 - Chicago

REC-101

100-428091-6259

RWH:mes  
(5)

MAY 17 1967

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

65 MAY 22 1967

*Handwritten signature*

CG 134-46 Sub B

advised that the matter of investments which he had made from CP, USA funds for HALL had been raised a number of times during his stay in New York, 5/4-10/67. This matter had been raised privately with him by HALL and he also had joint discussions which involved HALL and [redacted]. In these discussions HALL, as well as [redacted] displayed a total awareness of the fact that some investigation was presently being conducted by the Security and Exchange Commission and the United States Attorney's Office in New York City and that the First National Bank of Lincolnwood, as well as the Hercules Gallion stock, were involved. HALL was cognizant of the articles which had appeared pertaining to this matter in the Wall Street Journal, as well as those articles which appeared in the New York Daily Press. Both HALL and [redacted] made continuing inquiry as to whether this investigation and inquiry could effect the present investments and whether there could be a personal loss or embarrassment. The discussions on this were extensive and HALL's feeling on the matter was that it would be best to dispose of the present stockholdings in the First National Bank of Lincolnwood and in Hercules Gallion Corporation and reinvest the money. HALL [redacted] concurred and later suggested that possibly U.S. Government bonds would be the proper place to reinvest. Since it was the prevailing feeling of both HALL and [redacted] that something should be done and immediately, CG 5824-S\* told HALL [redacted] to send him all of [redacted] stock certificates for the shares held in the First National Bank of Lincolnwood and Hercules Gallion Corporation. He stated that he would then handle the matter and make a reinvestment of the funds. CG 5824-S\* advised that the mail he received on the morning of 5/11/67 contained the above noted stock certificates mailed by [redacted].

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According to CG 5824-S\*, the approximate total that will be represented by the stock certificates is \$33,000.00. The substantial portion of the investment in stock is in the First National Bank of Lincolnwood but he stated that under the present circumstances, namely the investigation by the Security and Exchange Commission and the United States Attorney in New York City, it would not be wise



BEST COPY AVAILABLE

CG 134-46 Sub B

or practical to attempt to sell this stock on the open market at this time. For similar reasons he felt it would not now be practical to sell the Hercules Gallion stock. He is convinced that any sale of these stocks at this point would result in a substantial loss. However, in order to carry out HALL's wishes on this matter, he stated he would buy all of this stock himself at a price of approximately \$33,000.00. This price, the source stated, would cover the original purchase price paid for the Hercules Gallion stock and the purchase price of the bank stock plus a very minimum profit. The problem in regard to the purchase of this stock by him is that while he and CG 6653-S have savings and investments far in excess of \$33,000.00, to withdraw from these assets at this particular moment could result in rather heavy cost to them. For example, he noted that much of their bank savings is held in time deposits and that the next interest payment would be due 7/1/67. To withdraw the funds now would result in a total loss of interest. He also noted he could secure without great difficulty a bank loan to cover the purchase price but he would be paying bank interest which would be substantial. As an alternative to liquidation of their personal funds at this particular moment to cover reinvestment of the money represented by the stock certificates, CG 5824-S\* stated he intends to do the following. He will immediately withdraw from CG, tsm or Solo funds an amount totalling \$30,000.00. He will consider the withdrawal of such funds as a personal loan and obligation of his. He will add the balance needed to purchase the [redacted] stock from personal funds and invest approximately \$33,000.00 in U.S. Government bonds. The bonds will be made out in the name of [redacted] or whoever else [redacted] HALL [redacted] that HALL desires. He will turn the bonds over to HALL or to [redacted] or make any other disposition HALL desires. To cover the loan from Solo funds he will execute documents in the form of a signed blank checks totalling \$30,000.00 which he will place with the Solo funds. At a date in the very near future, perhaps 7/1/67, he will liquidate some of his and CG 6653-S' personal holdings or withdraw from their savings sufficient funds to replace the "loan" from Solo funds.

CG 5824-S\* stated that he feels it is absolutely essential that HALL [redacted] be pulled out of the present stock

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b6  
b7C

BEST COPY AVAILABLE

CG 134-46 Sub B

investment in order to protect the Solo operation. If the investigation and legal proceedings now taking place in New York would result in any publicity or embarrassment to HALL in any way, he feels it is certain that it could result in a devastating blow to Solo. He noted that HALL would not in any way be aware of his personal use of Solo funds and that by using Solo funds in this instance, HALL himself would be bearing in part some of the financial burden which has resulted from his constant demands for investment.

The Chicago Office in relation to the above does recognize that the transaction outlined by the source will not expunge the record concerning this stock's ownership in event such records have already been reviewed by the Security and Exchange Commission or some other government agency. Yet it is felt that the transaction is logical and necessary even if it serves only to convince HALL that the source has taken all possible action to protect him.

Recommendation

The Chicago Office recommends that CG 5824-S\* be permitted to follow the plan as outlined above, bearing in mind that the funds to be reinvested will be placed in U.S. Government bonds. In view of the pressure of time involved in this matter, the Bureau is requested to give expeditious attention to this matter. UACB, by close of business 5/15/67 the procedure as outlined by CG 5824-S\* will be undertaken by him.

*Teletype sent to Chicago to take  
action in pending matter.*

# ROUTE IN ENVELOPE

5/16/67

CODE

TELETYPE

URGENT

- 1 - Mr. DeLoach
- 1 - Mr. Mohr
- 1 - Mr. Callahan
- (Attn: M.F. Row)
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. R. C. Putnam

SENT BY CODED TELETYPE

TO SAC CHICAGO (134-46 SUB B)

FROM DIRECTOR FBI (100-428091)

SOLO, INTERNAL SECURITY - COMMUNIST.

REURTEL MAY FIFTEEN LAST, AUTHORITY GRANTED TO ADVANCE FOUR HUNDRED TEN DOLLARS TO CG FIVE EIGHT TWO FOUR-S ASTERISK FOR NECESSARY EXPENSES IN TRIP TO CANADA AND NEW YORK CITY. INSURE INFORMANT EXERCISES ALL POSSIBLE PRECAUTIONS TO AVOID JEOPARDIZING HIS SECURITY. NO INFORMATION AVAILABLE WHICH MIGHT MITIGATE AGAINST TRAVEL AT THIS TIME. UPON INFORMANT'S RETURN SUBMIT PERTINENT INFORMATION IN FORM SUITABLE FOR DISSEMINATION TO STATE DEPARTMENT, CENTRAL INTELLIGENCE AGENCY AND ROYAL CANADIAN MOUNTED POLICE

VIA TELETYPE

MAY 16 1967

8-07 PM 6-56

ENCIPHERED

RCP:dmk (8)

NOTE:

See memorandum C. D. Brennan to W. C. Sullivan, dated 5/16/67, captioned as above, prepared by RCP:dmk.

REC-104

6 MAY 17 1967

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

FBI

RECEIVED

MAY 16 3 05 PM '67

INITIALED

DIRECTOR'S OFFICE

NR.	162325
ENC.	pc
CK.	pc
APPROVED BY	pc
TYPED BY	
LOGGED BY	RA

65 MAY 29 1967 TELETYPE UNIT

UNITED STATES GOVERNMENT

# Memorandum

## ROUTE IN ENVELOPE

TO : SAC (100-134637) b6 DATE: 5/17/67  
b7C

FROM : SA

SUBJECT: SOLO  
IS-C

b6  
b7C  
b7D

Information contained herein was obtained from  on date indicated by SA  is a confidential informant, contact with whom has been insufficient to establish his reliability.

There should be no dissemination of the contents of this memorandum and information from  outside of the Bureau without Bureau authorization. b7D

In the event KGB code names appear in this memorandum, they are not to be further disseminated.

The classification given any communication prepared for dissemination outside the Bureau containing information from  will depend upon the nature and content of such information, each case standing on its own merits. Under no circumstances should a classification of less than "Confidential" be utilized. b7D

CAUTION MUST BE EXERCISED IN HANDLING INFORMATION RECEIVED FROM  AND NO ACTION TAKEN WHICH COULD CONCEIVABLY JEOPARDIZE THE SECURITY OF THIS HIGHLY SENSITIVE INFORMANT. b7D

- ①-Bureau (100-428091) (SOLO)
- 1-Bureau (105-40818) (TALANOV)
- 1-Bureau (105-111415) (AVDEYEV)
- 1-Bureau (100-354839) (SPIA)
- 1-Bureau (61-8077) (GUS HALL)
- 1-Bureau (100-3-69) (CP, USA-ORGANIZATION)
- 2-Bureau
- 1-New York (105-14931) (TALANOV)
- 1-New York (105-56356) (AVDEYEV)
- 1-New York (65-14825) (SPIA)
- 1-New York (100-84994) (HALL)
- 1-New York (100-80641) (CP, USA-ORGANIZATION)
- 1-New York
- 1-New York (Tickler) 1-NY 65-17696 (TRAMUS)
- 1-New York (100-134637)

100-428091-

NOT RECORDED

MAY 24 1967

b7D

CJJ:mfw  
(17) F-14c

*S. J. [Signature]*



6 MAY 29 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

NY 100-134637

On 3/16/67, source furnished the following additional information concerning the operation under the KGB code name "MORAT", which he previously furnished as "MARAT".

"MORAT" is the code name for the individual through whom the KGB supplies money to the CPUSA. Source did not know the identity of "MORAT", but he is handled by NIKOLAI M. TALANOV. TALANOV is usually assisted by ~~GEORGIY~~ AVDEYEV, VLADIMIR D. ~~D.~~ when funds are passed. "MORAT" is met either two or three times a year and is furnished approximately \$500,000 in cash at each meeting.

To the best of source's knowledge, no accounting for disbursements is given to TALANOV by the CPUSA, and if any is given, it would be by CPUSA leaders who visit Moscow and deal directly with some of the Soviet leaders.

Meetings for the transfer of money to "MORAT" are arranged through radio or electronic burst transmissions to the SMUN at 7:00 a.m. on a particular morning. The actual meetings are not necessarily held on the day of the transmission, but are on a sliding scale, probably a day or two or more after the transmission.

The money for this operation usually arrives at the NY Residency with the diplomatic mail. Denominations are unknown, but it is packaged in brown wrapping paper and transferred to a brief case or attache case at the Residency. The case is then taken by TALANOV who transfers it to "MORAT" in an elevator in a downtown office building in the Wall St. or Nassau St. business district via a brief meeting during which identical cases are exchanged.

The source did not know the origin of the American currency used in this operation, but assumed that it came from Soviet trade relations, probably in Europe.

Communications between the CPUSA and the New York Residency are accomplished through the use of secret containers. In this connection, there are approximately 15 different locations that were selected in the NYC area. One of these was located in the lavatory of a downstairs restaurant, approximately a block or two south of the NY City Hall.

NY 100-134637

Source stated GUS HALL has been introduced to Soviet Foreign Minister ANDREI A. GROMYKO. HALL is met by the Soviets from time to time in the area of Kew Gardens in Queens, New York, relative to operations with the CPUSA.

Source also advised there are a considerable number, possibly 200 or 300, leading CP officials or respected members who have been assigned code names.

It is noted that when the source was contacted on 5/16/67, he advised the correct code name is "MARAT" and not "MORAT" as furnished on 3/16/67 interview. (Note: Present at the 5/16/67 interview were SAS [redacted] and [redacted] of the Central Intelligence Agency.)

b6  
b7C

ROUTE IN ENVELOPE

TELETYPE UNIT

MAY 15 1967

ENCODED MESSAGE

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Wick	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

NDV

WA -2- 444 DRS

URGENT 5-15-67 ATS

TO DIRECTOR

FROM CHICAGO 2P

*S. R. [Signature]*

*C. J. Brennan*

SOLO IS-C.

CHICAGO 5/16/67  
MAY 15 1967  
5:16 PM  
Tel. Room & CG  
2:00 PM '67

CG FIVE EIGHT TWO FOUR - S ASTERISK HAS RECEIVED INSTRUCTION FROM GUS HALL, GENERAL SECRETARY, CP, USA, TO PROCEED IMMEDIATELY TO CANADA AND ARRANGE CONTACT WITH WILLIAM KASHTAN, GENERAL SECRETARY, CP OF CANADA, TORONTO, TO ESTABLISH AGREEABLE DATE MID AUGUST NINETEEN SIXTY SEVEN FOR PERSONAL MEETINGS IN MONTREAL AREA. SOURCE ALSO TO LOCATE AND RENT, WITH OR WITHOUT CPC AID, HOUSING FOR HALL AND FAMILY FOR ONE - TWO WEEK PERIOD IN MONTREAL DURING SAME PERIOD IN ORDER FOR THEM TO VISIT EXPO SIXTY SEVEN. HALL DESIRES ANSWER CONCERNING STATUS OF ARRANGEMENTS FOR PERSONAL MEETING WITH KASHTAN AND HOUSING MONTREAL BY TIME OF NEXT PERSONAL MEETING.

IN VIEW OF ASSIGNMENT SOURCE WOULD HAVE TO UTILIZE POA AND BE ACCOMPANIED BY CG SIX SIX FIVE THREE-S. ESTIMATED  
END PAGE ONE

100-428091-6261

REC 17

6 MAY 18 1967

6-904 94D  
MAY 16 1967

PAGE TWO

TWO- THREE DAYS WOULD BE SPENT WITH KASHTAN IN TORONTO AREA AND IN MONTREAL LOCATING HOUSING, FOLLOWING WHICH SOURCES WOULD PROCEED NYC. ROUND TRIP TO CANADA AND NEW YORK TRAVEL MILEAGE APPROXIMATELY TWENTY ONE HUNDRED AND WOULD INVOLVE ESTIMATED SEVEN DAYS FROM CHICAGO. SOURCES WOULD DEPART CHICAGO APPROXIMATELY MAY SEVENTEEN NEXT AND WOULD EXERCISE ALL POSSIBLE PRECAUTION DURING TRIP TO ASSURE SECURITY SOLO OPERATION. ESTIMATED EXPENSE OF TRAVEL FOR CHICAGO SOURCES FOUR HUNDRED TWENTY FIVE DOLLARS, INCLUDING POA COST TWO HUNDRED TEN DOLLARS; LODGING THREE NIGHTS CANADA SEVENTY FIVE DOLLARS; FOOD AND MISCELLANEOUS EXPENSES, INCLUDING TIPS, COMMUNICATIONS, ETC., FOR SEVEN DAYS ONE HUNDRED FORTY DOLLARS. BUREAU REQUESTED TO SUTEL AUTHORITY TO ADVANCE SOURCE FOUR HUNDRED TEN DOLLARS FOR CONTEMPLATED TRAVEL EXPENSES TO CANADA AND NYC. BUREAU ALSO REQUESTED TO ADVISE CHICAGO OF ANY FACTORS CURRENTLY KNOWN WHICH MIGHT MITIGATE AGAINST TRAVEL AT THIS TIME.

AIRMAIL COPY BEING FURNISHED NEW YORK FOR INFORMATION.

END

72

EFH

FBI WASH DC



UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. Conrad *JWC*

DATE: May 15, 1967

FROM : C. F. Downing

SUBJECT: SOLO  
INTERNAL SECURITY - C

*wes*  
*C.D. Paddock*

On 5/15/67, the New York Office furnished the text of four messages which the informant desired to send and requested that they be enciphered. The cipher text was furnished to New York on the same day.

The plain text and cipher text are attached.

*5-Paddock*

**ACTION:**

For information.

Enclosure

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

HS:drv  
(7)

REC 17 100-423091-6262

65 MAY 22 1967 *KW*

5/15/67

NR 0001 GR 067

05/15/67

79303 49999 81319 51557 61028 87612 11404 59044 84540 20131  
03751 97253 95555 85778 07730 52030 72806 44459 67978 30490  
74410 59761 04171 43965 40782 27694 60386 44210 31118 08485  
77382 50677 16510 79570 81776 47956 83968 06568 31358 07785  
06565 70789 70666 51514 72837 29492 02952 73703 12219 70477  
06751 11598 27201 70681 34367 67003 1/066 21171 23648 40349  
11934 24458 01060 82635 49631 96030 40009

NR 0001 GR 067

05/15/67

REFEREE COACH URGENT SURVEYED AREA OF KON KONG AGAIN VERY  
AREFULLY. EVERYTHING OK FOR COLOUR PRINTS FOR THIRD SATURD  
AY IN MAY. #9. #05#X#9. #05#PM SHARP. WILL BE THERE AS PRE  
VIOUSLY ARRANGED IN A FORD CAR FOUR DOOR SEDAN. SPRING.

100-428091 - 6262

NR 0002 GR 040

05/15/67

17487 31543 32869 57897 62259 85807 50570 75451 18113 66421  
52158 51299 58319 62616 00038 82782 13015 92175 51376 43775  
75808 01877 79188 28727 39312 24885 03264 50049 56290 77480  
95027 94637 25295 91193 44908 80523 28339 57813 53993 32676

NR 0002 GR 040

05/15/67

|MY|RED|GAMMA|RECORD|SHOWS|A|GAP|FROM|NUMBER|#|83929|\*|#|83929|#|  
|C|NUMBER|#|63123|\*|#|63123|#|.DO|YOU|KNOW|OF|THIS|\*|SPRING|

NR 0003 GR 040

05/15/67

44787 68102 96128 81005 88885 83797 02914 96047 22518 26728  
91547 12917 93781 46503 62934 56789 82797 50678 33245 92018  
35999 68921 61675 26724 45532 54945 75727 11470 41477 76867  
27761 97248 29902 95149 30590 36828 53155 55389 72171 73034

NR 0003 GR 040

05/15/67

|YOUR|FIRST|TUG|REGARDING|MAY|AND|JUNE|SCHEDULE|RECEIVED|OK|A  
N|ACKNOWLEDGED|SAME|DATE|APRIL|BY|TELEPHONE|AT|TIME|AGREED|  
-#5#|. #05#PM|. SPRING|. .

NR 0004 GR 036

05/15/67

52036 90992 04353 16512 22130 52637 86045 22140 90331 32266  
59297 79111 18406 13768 79113 55593 86115 49472 52408 77716  
34547 55824 85611 91906 09596 63630 53002 28480 64769 65291  
47769 60643 39092 81092 33716 11933

NR 0004 GR 036

05/15/67

| I | T | S | N | O | W | O | K | T | O | S | E | M | R | S | . | Q | U | E | E | N | ( | M | R | S | . | B | I | R | C | H | ) | A | S | S | E | C | O | N | D | A | R | Y | C | H | A | N | N | E | L | . | T | H | I | S | C | H | A | N | N | E | L | S | H | O | U | L | D | B | E | U | S | E | D | I | N | T | H | E | S | A | M | E | M | A | N | N | E | R | A | S | I | N | P | A | S | T | W | I | T | H | S | A | I | N | T | . | S | P | R | I | N | G | . |

UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. W. C. Sullivan

DATE: 5/16/67

FROM : C. D. Brennan

- 1 - Mr. DeLoach
- 1 - Mr. Mohr
- 1 - Mr. Callahan  
(Attention: Mr. M. F. Row)
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. R. C. Putnam

SUBJECT: SOLO  
INTERNAL SECURITY - COMMUNIST

Solo is the code word used to refer to the liaison performed by our top informants between the Communist Party, USA, and other communist parties of the world.

PURPOSE:

This memorandum recommends our Chicago Office be authorized to advance \$410 to CG 5824-S\* to cover travel expenses on trip to Canada and New York City. Informant will be accompanied by his wife, CG 6653-S.

BACKGROUND:

Gus Hall, General Secretary, Communist Party, USA, has instructed CG 5824-S\* to proceed immediately to Canada to contact William Kashton, General Secretary, Communist Party of Canada. Purpose of this contact is to establish agreeable date in mid-August, 1967, for personal meeting between Hall and Kashton. Informant was also instructed to secure housing for Hall and his family in Montreal, Canada, for one or two weeks in August, 1967, which will enable Hall's family to visit Expo '67 at the time Hall meets Kashton. Informant expects to spend three days in Canada and then proceed to New York City to confer with Hall. Trip will take at least seven days. Estimated expenses include the following:

Mileage.....	\$210
Lodging.....	75
Meals and miscellaneous expenses.	125
Total	\$410

Chicago requests authority to advance this sum by teletype in order for the informant to depart 5/17/67.

Enclosure *sent 5-16-67*

6 MAY 19 1967

100-428091

CONTINUED - OVER

RCP:dmc  
65 (7) 5/17/67

REC'D - OFFICE

*W.C.S.*  
*5-16-67*  
*Putnam*

*M*

*6263*

Memorandum to Mr. W. C. Sullivan  
RE: SOLO  
100-428091

OBSERVATION:

For the past two years Hall and Kashton have been attempting to hold secret meetings together. It appears that Hall will utilize his visit to Expo '67 with his family as a cover for this meeting. If our informant makes these arrangements he will probably be invited to participate in the secret meeting. Attached is a teletype authorizing Chicago to advance \$410 to the informant for necessary expenses in making this trip.

RECOMMENDATION:

That the attached teletype be approved and sent.

8

~~to~~ W.C.S. ✓  
J.M. ✓  
OK  
H

UNITED STATES GOVERNMENT

*Y*  
**Memorandum ROUTE IN ENVELOPE**

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. Conrad *Jue W*

DATE: May 17, 1967

FROM : C. F. Downing

SUBJECT: SOLO  
INTERNAL SECURITY - C

*S. R. Putnam*  
*C. F. Downing*

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S\* who has been receiving communications transmitted to him by radio.

On 5/17/67, transmissions were heard by the Bureau's radio station at Midland at scheduled times and frequencies but no messages were transmitted.

**ACTION:**

For information.

*97*

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

*HS:csp*  
*(7)*  
*W*

*REC-16* *100-428091-6264*

MAY 19 1967

*65* *71%*  
*1967*



~~SECRET~~

# ROUTE IN ENVELOPE

- 1 - Liaison
- 1 - Mr. Jackson
- 1 - Mr. R. C. Putnam

**Date:** May 19, 1967

**To:** Director  
Bureau of Intelligence and Research  
Department of State

**From:** John Edgar Hoover, Director

**Subject:** PEGGY DENNIS  
INTERNAL SECURITY - C

Reference is made to my letter dated February 21, 1967, captioned as above, which stated that Peggy Dennis had been selected to fill a position on the staff of the "World Marxist Review," official theoretical organ of the international communist movement which maintains its headquarters in Prague, Czechoslovakia. At that time it was indicated that Dennis would take over her assigned duties in late March or early April, 1967.

b6  
b7c

The following was supplied by a source which has furnished reliable information in the past.

After initially accepting her appointment and setting a tentative date for proceeding to Prague, Czechoslovakia, Dennis changed her mind and rejected the appointment to the staff of the "World Marxist Review." She has decided not to leave the United States at this time.

EX-105 REG-52 100-428091-6265

Peggy Dennis is the widow of the late Eugene Dennis, the former General Secretary of the Communist Party, USA, and [redacted] of Timur Timofeev, a respected member of the Communist Party of the Soviet Union who is the head of an important Party institution in the Soviet Union, the "Institute of International Labor Movement."

RCP:dmk  
(8) *dmk*

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

100-428091

6 MAY 22 1967

SEE NOTE PAGE TWO

GROUP 1  
BY COURIER SVC. Excluded from automatic  
downgrading and  
declassification  
MAY 2 1967  
COMM-FBI

MAIL ROOM  TELETYPE UNIT

*Handwritten initials and signatures:*  
WJH  
JH  
D

~~SECRET~~

Director  
Bureau of Intelligence and Research  
Department of State

1 - Director  
Central Intelligence Agency  
Attention: Deputy Director, Plans

1 - Mr. J. Walter Yeagley  
Assistant Attorney General

NOTE:

Classified "~~Secret~~" since unauthorized disclosure of this information could reveal the identity of the source (CG 5824-S\*) who is of continuing value and such revelation could result in grave damage to the Nation. Information regarding this action by Peggy Dennis has been disseminated to San Francisco by Chicago. Data extracted from Chicago airtel 5/15/67, captioned "Solo, IS-C."

~~SECRET~~

# ROUTE IN ENVELOPE

Date: 5/16/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091) AND  
SAC, NEW YORK (100-134637)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*R/S:*  
*R.P. [Signature]*

Re Chicago airtel 1/27/67 captioned "CG 5824-S\*" and Bureau airtels 1/19 and 4/25/67 and New York airtel 4/21/67, all captioned "SOLO." All references pertain to certain stock transactions under inquiry by the Security and Exchange Commission and USA, Southern District of New York.

On 5/15/67 CG 5824-S\* advised SAs RICHARD W. HANSEN and WALTER A. BOYLE that in talking to IRVING PROJANSKY over the weekend of 5/13/67 he learned that PROJANSKY was "going to New York on the 23rd to talk to those people."

Earlier, CG 5824-S\* advised that [redacted] Attorney for the First National Bank of Lincolnwood, Lincolnwood, Illinois, as well as for PROJANSKY, had been scheduled to go to New York to talk to certain people in the USA's Office. These talks allegedly were to determine what the USA desired to discuss with his client, PROJANSKY, and to lay down certain ground rules and get a clarification of what PROJANSKY, if he did come to New York for discussions, should bring with him in way of records and/or be prepared to discuss.

- 3 - Bureau (RM)
- 2 - New York (RM)
- 1 - Chicago

RWH:mes  
(6)

REC: *6266*

MAY 22 1967

~~Classification Category 33  
Date of Declassification Indefinite~~

Approved: *[Signature]* Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

*Pls to Chicago & New York re classification report*

b6  
b7c

UNITED STATES GOVERNMENT

# Memorandum

TO : DIRECTOR, FBI

DATE: 5/16/67

FROM: SAC, NEW YORK (134-91) (Adm)

SUBJECT: SOLO  
IS-C  
INTERNAL SECURITY - COMMUNIST

Mr. Tolson	✓
Mr. DeLoach	✓
Mr. Mohr	✓
Mr. Wick	✓
Mr. Casper	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. Felt	✓
Mr. Gale	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

Rebulet 5/9/67 authorizing payment of \$1000.00 cash to NY 694-S\* as an award for extraordinary services rendered in connection with his most recent Solo mission. On 5/15/67, this award was personally presented to NY 694-S\* by SAC D. E. RONEY. At the same time, the informant was orally informed of the Director's appreciation for his services in connection with this hazardous undertaking and for the exceptional value to the Bureau of the intelligence data collected by him on this mission.

The informant asked that SAC RONEY convey to the Director his deep appreciation for this award and for this recognition of his services. The informant said that he wished to reiterate that he is not motivated by money in his desire to serve his country, but that he is grateful for this recognition and symbol of appreciation. He asked that the Director be reassured of his continuing desire to make even greater efforts, including greater sacrifices where necessary, to serve the Bureau.

- 2 - Bureau (RM)
- 1 - New York (134-91) (Adm)

DER:MEW  
(3)

REC:

6 MAY 22 1967

100-421-6267

FBI  
MAY 18 3 31 PM '67  
MAY 18 11 12 AM '67

65 MAY 1967

BEST COPY  
AVAILABLE

DIRECTOR, FBI (100-446406)

5/12/67

SAC, NEW YORK (100-159665)(41)

TARPRO  
(INTERNAL SECURITY)

ReBulet 5/3/67, requesting reinterview of NY 694-S\*  
concerning the TARPRO documents.

Further interrogation of NY 694-S\* elicited the  
following information:

While discussing instant matter with NY 694-S\*,  
"VLADIMIR" read from notes rather than from the specific  
"letters" in issue. The source believes that VLADIMIR had  
made all notes from the documents to which the said Soviet  
referred as "two official FBI classified letters." The  
source saw nothing in VLADIMIR's possession that appeared  
to be an official document.

NY 694-S\* stated that VLADIMIR had specifically  
read a statement, attributed to GUS HALL in the letter's  
report, concerning a third-party candidate in 1963. VLADIMIR  
likewise specifically mentioned the figures "\$100,000.00"  
and "\$40,000.00" in relation to "The Worker." The "difference  
of opinion" concerned the correctness of the Party line as  
reflected in GUS HALL's report, HALL, WINSTON and JACKSON  
supporting it as correct, and GREENE, HEALEY and NY "LENIER"  
opposing it as incorrect.

According to the source, the significance of the  
statement concerning "too many old guards" is that the National  
Committee has, as members, too many people who, by reason of  
advancing age, have lost their effectiveness; and that "new  
blood" should be infused into the said National Committee.

- 3 - Bureau (RM)  
(1-100-428601)
- 1 - Chicago (134-46-Sub G)(RM)
- 1 - New York

ACB: sb  
(5)

100-446406-71-  
NOT RECORDED

141 MAY 31 1967

ORIGINAL FILED IN

BEST COPY  
AVAILABLE )-159665

When VLADIMIR mentioned "HY LERNER," NY 694-S\* told the letter that the Soviet was mispronouncing "HY LUMER," to whom the report quoted by VLADIMIR actually referred. The source further stated that there was no such person as "HY LERNER" on the National Committee. VLADIMIR, however, insisted that the name was "HY LERNER," and proceeded to spell "LERNER."

NY 694-S\* stated that he had told VLADIMIR that the contents of the letters, in his opinion, were correct. Actually, however, the source stated, by reason of illness and having been recuperating in Florida for many weeks, he was hearing for the first time, from VLADIMIR, a report of the National Committee meeting at which the above matters were discussed.

When questioned with respect to the accuracy of his memory in reporting what VLADIMIR actually discussed in relation to the "FBI letters," the source advised as follows:

When VLADIMIR mentioned this matter initially, NY 694-S\* realized that the possession by the Soviets of "FBI letters" would be of exceptional interest and significance to the Bureau. VLADIMIR had requested that the source give an opinion as to the accuracy of the contents of the "FBI letters" which gave NY 694-S\* an opportunity to tell the Soviet that he would prefer to give serious thought to the matter, and to give his considered opinion at their next meeting. He then secured VLADIMIR's permission to make some sketchy notes, on tissue paper, concerning what VLADIMIR told him. He told VLADIMIR the notes would be of assistance to him in his consideration of the matter. VLADIMIR agreed, but instructed the source to burn the notes as soon as he was finished with them.

The source, however, did not burn the tissue paper notes, but kept them in his possession until he arrived in Prague, after leaving Moscow. In Prague, he re-wrote the notes on another small piece of paper, which he brought back with him to the USA, and which were the basis of the information concerning this matter, furnished to the NYO. Said notes have since been destroyed.

NY 100-159665 BEST COPY  
AVAILABLE

A review of reports of the December 3-7, 1967, National Committee meeting reflects that several informants other than CG 5824-S\* have furnished information concerning the matters discussed in reBulet.

The NYO has only a limited knowledge of the TARPRO operation, but feels that the following may be an explanation of the paradoxical situation outlined in reBulet:

The alleged dates of the "FBI letters" are actually the initial and closing dates of the National Committee meeting concerning which the reports were written--December 3 to December 7. The source--not familiar with that meeting--could have received the erroneous impression that, in mentioning these dates, VLADIMIR had reference to the dates of the FBI documents.

CG 5824-S\* went to Moscow shortly after the December 3-7 National Committee meeting and took with him a complete report of that meeting.

VLADIMIR, therefore, in conferring with NY 694-S\*, could have had--in the notes from which he was reading--not only the content of the FBI reports, but also the content of the report furnished the Soviets by CG 5824-S\*. He could have discussed the FBI documents from the standpoint of all information available to him concerning the pertinent National Committee meeting, giving the source the impression that everything mentioned by him appeared in the FBI reports.

# ROUTE <sup>F</sup> IN ENVELOPE

Date: 5/11/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*Handwritten notes:*  
S-R  
R. [unclear]  
Hess  
Hess  
N. [unclear]  
Stank  
Red [unclear]  
[unclear]  
[unclear]  
[unclear]

Re New York airtel dated 4/6/67 concerning a letter to CARL WINTER, Editor of "The Worker," from BEATRICE SISKIND JOHNSON, Communist Party (CP), USA liaison with the CP of Canada and correspondent for "The Worker."  
CUBA

In the above noted letter JOHNSON advised that she had been invited by the CP of Chile to come to that country to work. JOHNSON was in favor of the idea as her freedom was very restricted in Cuba and furthermore she felt it would be easier to obtain citizenship and a passport in Chile with which she would be able to move freely about Latin America reporting for "The Worker."

On 5/1/67 CG 5824-S\* advised that he had communicated this information to CARL WINTER and to GUS HALL, CP, USA General Secretary, when in New York City during the period 4/22-29/67. Neither of them interposed any objection to this move by JOHNSON. Therefore, on 4/27/67 CG 5824-S\* contacted HELEN WINTER, leader of the CP, USA May Day Delegation to Moscow and furnished to her a letter for JOHNSON which WINTER could turn over to representatives of the CP of the Soviet Union for transmittal to JOHNSON. The contents of the letter were to the effect

- 3 - Bureau (Encls. 4) (RM)
- 1 - New York (100-134637) (Encl. 1) (RM)
- 1 - Chicago

WAB:mes  
(5)

AGENCY State, CIA  
 DATE REC'D \_\_\_\_\_  
 DATE FORW. 5/15/67  
 NEW YORK MS  
 BY KCP/lem

6 MAY 23 1967

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 MAY 29 1967

97

*Handwritten initials:* S-R



BEST COPY AVAILABLE

CG 134-46 Sub B

that JOHNSON was free to leave Cuba and go to Chile if she so desired. She was also informed that if she so chose, JOHNSON was also free to move from Cuba to Mexico, a move in which she had previously indicated an interest inasmuch as [redacted] currently resides there and since she believes it would be a simple matter to obtain Mexican citizenship and passport.

b6  
b7c

There are enclosed herewith the original and three copies for the Bureau, and one copy for New York, of a letterhead memorandum (LHM) setting forth this information concerning JOHNSON.

The enclosed LHM has been classified "~~Secret~~" since the unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source, who is furnishing information on the highest level concerning the international communist movement, thus adversely affecting the national security.

To further protect the identity of the source, the enclosed LHM has been shown as being prepared in Washington, D.C.

The information set forth in the enclosed LHM was orally furnished May 1, 1967, to SAs RICHARD W. HANSEN and WALTER A. BOYLE by CG 5824-S\*.



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Washington, D.C.  
May 11, 1967

In Reply, Please Refer to  
File No.

~~SECRET~~

BEATRICE SISKIND JOHNSON

During April, 1967, a source, who has furnished reliable information in the past, advised as follows:

Beatrice Siskind Johnson, a member of the Communist Party (CP), USA currently assigned in Cuba as CP, USA liaison with the CP of Cuba and as Havana correspondent for "The Worker," the East Coast communist newspaper, has recently received an invitation from the CP of Chile to leave Cuba and come to Chile. The CP, USA will permit Johnson to leave Cuba for Chile if she so desires, or for Mexico if she prefers since [redacted] presently resides in Mexico City. If Johnson does leave Cuba for either of these countries she intends to seek citizenship after her arrival. No replacement for Johnson in Cuba has as yet been designated by the CP, USA.

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b7c

~~SECRET~~  
Group 1  
Excluded from automatic  
downgrading and  
declassification

This document contains neither recommendations nor conclusions of the Federal Bureau of Investigation. It is the property of the Federal Bureau of Investigation and is loaned to your agency; it and its contents are not to be distributed outside your agency.

100-425091-6268  
ENCLOSURE

Domestic Intelligence Division

INFORMATIVE NOTE

Date May 17, 1967

Attached refers to cash award given NY 694-S\* for successful completion of Solo Mission 23 to the Soviet Union as authorized by memorandum dated 5/8/67. Informant left 4/2/67; returned 4/18/67. Prime purpose of Mission was to convince Soviets of security of this operation, which informant did successfully.

*CB/pt*

*Jo*

*wc/s*

*GP*

ROUTE <sup>FBI</sup> ENVELOPE

Date: 5/16/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*W. C. ...*  
*S-R. ... (cont)*  
*Thompson*

Enclosed herewith for the Bureau are three copies, and for New York one copy, of an informant's statement captioned "JAMES MILTON PEAKE, JR. [redacted] CHICAGO, ILLINOIS."

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The information set forth in the enclosed informant's statement was orally furnished during the period 5/10-11/67 by CG 5824-S\*, who has furnished reliable information in the past, to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

- 1-904 940 with 1 encl*
- ③ - Bureau (Encls. 3) (RM)
  - 1 - New York (100-134637) (Encl. 1) (Info) (RM)
  - 1 - Chicago

RWH:mes  
(5)

REC 21

*100-428091-6269*

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 MAY 29 1967  
Special Agent in Charge

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b6  
b7c

JAMES MILTON PEAKE, JR.,  
[REDACTED] CHICAGO,  
ILLINOIS

Gas Hall, General Secretary, Communist Party (CP) USA, on May 9, 1967, advised that he had selected [REDACTED] from Chicago to visit the Soviet Union for rest and travel during the summer of 1967 as part of the CP, USA quota of visitors to the Soviet Union. Hall identified this couple as James Milton Peake, Jr., and [REDACTED] Chicago, Illinois. Hall stated that although Jim Peake, a national leader of the DuBois Clubs and a CP youth leader in Chicago, was a wheelchair case, he wanted every effort made to see that he gets to the Soviet Union. When informed that the CP of the Soviet Union does not look favorably on sick or ill people coming to the Soviet Union, Hall instructed that a complete medical report on Peake be secured and be sent to the Russians. He noted that since he had promised this trip he wanted everything done to see to it that [REDACTED] got to travel.

b6  
b7c

*Handwritten notes:*  
10/1/67 - [unclear]

EXCLUDE - COPY OF PAGE 175

JAMES MILTON PEAKE, JR.,  
MAUREEN PEAKE, CHICAGO,  
ILLINOIS

Gus Hall, General Secretary, Communist Party (CP), USA, on May 9, 1967, advised that he had selected a young couple from Chicago to visit the Soviet Union for rest and travel during the summer of 1967 as part of the CP, USA quota of visitors to the Soviet Union. Hall identified this couple as James Milton Peake, Jr., and his wife, Maureen, who reside in Apartment 206, 7455 North Greenview, Chicago, Illinois. Hall stated that although Jim Peake, a national leader of the Dulles Club and a CP party leader in Chicago, ... also, he wanted every effort made to see that he gets to the Soviet Union. ... CP of the Soviet Union does not look favorably on sick or ill people coming to the Soviet Union, Hall instructed that a complete medical report on Peake be secured and be sent to the Russians. He noted that since he had promised this trip he wanted everything done to see to it that the Peakes got to travel.

*Handwritten initials*

# ROUTE IN ENVELOPE

Date: 5/16/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*Handwritten notes:*  
B/P  
S-R. P. [unclear]  
[unclear]

On 5/11/67 CG 5824-S\* advised SAs RICHARD W. HANSEN and WALTER A. BOYLE that in discussion with GUS HALL, General Secretary, Communist Party (CP), USA, on 5/9/67, this individual instructed that the CP of Canada be contacted and arrangements made for CARL LEICHTMAN to visit the CP of Canada printing facilities in Toronto, Ontario. HALL is extremely serious about his program to initiate a daily paper and feels that by sending his "expert", CARL LEICHTMAN, from New York to Toronto, valuable information on the operation of the Party press, problems and causes, etc., can be learned and that this information can be utilized by the CP, USA.

*Handwritten notes:*  
[unclear]  
[unclear]

In line with HALL's instructions, CG 5824-S\*, on 5/12/67, prepared and sent a communication to WILLIAM KASHTAN, General Secretary, CP of Canada, Toronto, Ontario. This message was sent to "J. KLEINSTEIN, 25 Kilbarry Road, Toronto," a mail drop address supplied for such communications by the CP of Canada to the CP, USA. The text of this communication was as follows:

"Dear Bill: (KASHTAN)

"As you know by this time, we are seriously considering the publication of a daily.

- ③ - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 1 - Chicago
- RWH:mes
- (5)

REC-16 100-428091-6270

MAY 23 1967

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 MAY 29 1967 Special Agent in Charge

CG 134-46 Sub B  
BEST COPY AVAILABLE

We are investigating printing procedures and other matters connected with such publication of a daily.

"One of these days soon I will see you, since HERB (GUS HALL, General Secretary, CP, USA) wants me to take up a few matters with you. In event you are planning a trip away from Toronto in the next two weeks, would you please let me know and where you might be. In the meantime I would appreciate it very much if you would allow CARL L. (LEICHMAN of New York), the head of our printing establishment - Prompt Press, to visit your printing establishment to see how it works and also to discuss the problems you had when you purchased (in the German Democratic Republic) machinery abroad. We are not going to get any machinery abroad, in view of your experiences, but nevertheless we would like to see how things work out in your print shop. So this is the task we gave to CARL L.

"In the meantime are warmest regards.  
As ever,

"MICHAEL (CG 5824-S\*)"

In connection with the above, the parenthetical additions have been made by Chicago for the purpose of giving additional clarity to this item.



FD-36 (Rev. 5-22-64)

# ROUTE IN ENVELOPE

Date: 5/17/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
ES-C

*S. R. [Signature]*

ReNYairtel, 5/4/67, with respect to the possibility that indictments might be handed down in the current investigation by the SEC of stock manipulations on the American Stock Exchange. Reference also NY airtel, 5/15/67, captioned "FELIX ALDERISIO, aka., AR (Bufile 92-3141), which reports the following information:

SEC attorney [redacted] on 5/12/67, advised that his deadlines with respect to the American Stock Exchange investigation are constantly being postponed because of new information being developed. He stated he now does not expect any indictments in this matter to be handed down until at least the end of May, 1967. [redacted] stated that he and AUSA [redacted] SDNY, will require at least two more weeks adequately to digest results of current investigations.

Through a highly confidential source, the NYO has ascertained that IRVING PROJANSKY and his attorney are scheduled to be interviewed by the SEC in New York on May 23, 1967.

The Bureau and Chicago will be advised of any further pertinent information developed concerning instant matter.

- 3 - Bureau (RM)
- 1 - Chicago (134-46-Sub B) (AMRM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 100-134637 (41)

ACB:msb  
(7)

REC-16

*100-428091-6271*

*File to Chicago & New York on classification copy 5/17/67*

b6  
b7c

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_

~~Classified by 739  
Exempt from automatic declassification  
Date of Declassification Indefinite  
13/10/95~~

# ROUTE IN ENVELOPE

Date: 5/18/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
IS-C

*S. R. O. [Signature]*

On 5/17/67, NY 694-S\*, discussing his contact with VLADIMIR KAZAKOV in Moscow, referred to the fact that the aforementioned Soviet had requested that the informant assist the Soviets in making contacts, and in furnishing information of special interest to the Soviets.

NY 694-S\* said that he had given this matter considerable thought, and that he was of the opinion that if he could furnish to the CCCPSU, well in advance of its publication, a copy of the book by SVETLANA STALIN, his prestige would be considerably enhanced, not only among the top functionaries of the CCCPSU, but also among the top leaders of the Soviet Government.

The NYO is of the opinion that the informant's suggestion is opportunistic, but realizes that the practicability of the suggestion might be a problem. The NYO also realizes that to put such a plan into effect might be inconsistent with Government policy.

*Let NY 5/23/67  
[Handwritten note]*

- 1-984 [Handwritten]
- 3-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub B) (AM RM)
- 1-NY 134-91 (INV) (41)
- 1-NY 105-14931-Sub C (TALANOV) (341)
- 1-NY 100-134637 (41)

ACB:eac  
(8)

**REC-10**

*6272*  
*100-428091-1*  
[Handwritten notes and stamps]

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 MAY 22 1967 Special Agent in Charge

NY 100-134637

It is requested that the Bureau advise the NYO whether, in its opinion, further consideration should be given to the informant's suggestion. If the Bureau should be of the opinion that the suggestion is practicable, it is requested that the Bureau advise whether it would be in a position to secure a copy of the said book of SVETLANA STALIN.

# ROUTE IN ENVELOPE

Date: 5/19/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

Re Chicago airtel 5/11/67 and Bureau airtel 5/16/67. Referenced Chicago airtel outlined a procedure for CG 5824-S\* to purchase certain stock held by [redacted] GUS HALL, General Secretary, Communist Party, USA. Referenced Bureau airtel, recognizing certain dangers in the suggested procedures set forth in referenced Chicago airtel bearing on the security of the Solo operation, instructed Chicago to review the problems and submit new recommendations.

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In referenced Chicago airtel, CG 5824-S\* noted that on 5/11/67 he had received by registered mail from [redacted] the stock certificates involved in this matter. Later, the source advised that the stock certificates he had received from [redacted] had already been negotiated by [redacted] signing them over to the source in his true name. This undoubtedly was done with HALL's agreement and perhaps with the specific intent that by this method they, the [redacted] and HALL, could insure that CG 5824-S\* personally handled the transaction. HALL obviously believed that this would create no problems for CG 5824-S\* based on the informant's past successes for him in connection with investment matters. The source was cognizant, as was the Chicago Office which had noted in referenced Chicago airtel, that the sale of the stock would not expunge the corporate records concerning ownership and could connect him to [redacted] in event such records were reviewed by a government agency. However, in view of accumulated circumstances involved, CG 5824-S\*

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b7C

1-904 94D  
③ - Bureau (RM)  
1 - New York (100-134637) (Info) (RM)  
1 - Chicago  
RWH:mes  
(5) CC C.D. [redacted] **REC TO** 100-428091-5- [redacted] Putney

Approved: 65 29 Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

CG 134-46 Sub B

felt that the risk undertaken in order to continue a successful Solo operation and to retain the maximum confidence of GUS HALL was justifiable.

While he believes that there could be no other alternative than his own purchase of the [redacted] stock which he has done, he concurred totally with the Bureau on the matter concerning the dangers involving the source for such funds. Accordingly the source will not, as he had originally suggested, seek to loan the purchase monies from Solo funds. Instead, the source has negotiated a secured loan in the amount of \$15,000 from a Chicago bank not connected in any way with [redacted] banking operations, liquidated certain other assets and withdrawn funds from personal savings accounts. This money is being deposited in his personal checking account. He has been, therefore, able to raise from accountable sources sufficient funds to cover the purchase price of \$33,000 which is necessary for this stock. Since he now has raised the necessary money from accountable sources, CG 5824-S\* will now purchase in the name of [redacted] U.S. Government bonds in that amount. The specific series of such bonds, however, is yet to be determined. While this procedure will cost him some money financially, particularly in the form of interest paid and interest lost, he has taken the strong position that it had to be done.

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While Chicago is fully aware that it may have been more desirable to have handled this stock transaction in some other manner, the action of [redacted] in signing this stock over to CG 5824-S\* closed the door to such a procedure. Had she not signed such stock over to the source, the stock possibly could have been sold, in the case of Hercules Gallion, on the open market or in the case of the bank stock over the counter, without directly tying in the source. However, in both instances there would have been substantial losses likely resulting by selling it in this manner. For example, the Hercules Gallion stock is now reported selling for \$1.00 a share under its initial purchase price. The bank stock also, because of present publicity related to the SEC investigation, has a depressed value and limited number of buyers. However, the source himself is firmly convinced of the stability of both stocks and for this reason was willing to hold them as a personal investment and risk a loss which at this time would only be on paper. The source has also noted that he personally is financially able to

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CG 134-10 Sub B

sustain such a loss, particularly if it would be beneficial to the Solo operation. However, BALL would not have looked favorably on such losses if the stock had been sold on the open market because it affected the financial security of his daughter, whom he considers the "apple of his eye." To avoid this and other possible recriminations, CG 3824-S\* proceeded down the selected path.

*ROUTED TO DIRECTOR*

TELETYPE UNIT  
MAY 19 1967  
RECORDED MESSAGE

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Wick	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

WA -1- 455 DRS

URGENT 5-19-67 ATS

TO DIRECTOR

FROM CHICAGO

*SOLO*

SOLO IS-C.

*S-R [Signature]*  
*C.D. Brennan*

RE CHICAGO TELETYPE MAY FIFTEEN AND BUREAU TELETYPE  
MAY SIXTEEN LAST.

DUE TO ILLNESS, CG FIVE EIGHT TWO FOUR - S ASTERISK APOS S TRAVEL  
PLANS SLIGHTLY MODIFIED. SOURCE WILL NOW DEPART CHICAGO LATE  
PM MAY NINETEEN INSTANT BY AIR FOR NYC TO BE AVAILABLE AS  
BACKUP TO NY SIX NINE FOUR - S ASTERISK, WHO IS

TENTATIVELY SCHEDULED

TO RECEIVE FUND TRANSFER FROM SOVIETS MAY TWENTY NEXT.

THEREAFTER, SOURCE WILL RENT CAR AT NYC AND PROCEED, POSSIBLY  
MAY TWENTY ONE NEXT, FOR TORONTO, ONTARIO, AND CONTACT WITH  
WILLIAM KASHTAN, GENERAL SECRETARY, CPC, AND THEN PROCEED  
TO MONTREAL. SOURCE HOPES TO AVOID CONTACT WITH HALL WHILE  
IN NYC UNLESS CIRCUMSTANCES DEMAND. NY OFFICE PREVIOUSLY  
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FBI WASH DC

65 MAY 29 1967

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*100-425691-6274*

MAY 29 1967

# ROUTE IN ENVELOPE

FBI

Date: 5/19/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*Handwritten:* MIA AT-20012000

Re Chicago airtel dated 4/28/67.

On 5/16/67 the Chicago Office received an air mail communication for CG 5824-S\* which had been transmitted by the Brazilian Communist Party (CP) to a Solo drop box maintained by the Chicago Office in the name of MILTON ADAMS, Box 4367, Chicago, Illinois 60680. The communication bore the following return address, which it should be noted is more complete than that referred to in referenced Chicago airtel; Laboratorio De Pesquisas, Farmaceutico-Cientificas, Dep. Internacional, Rua Uruguai, 229, Rio de Janeiro. Enclosed in this communication was a six page Portuguese language document entitled "Bulletin D'Informations Pour L'Exterieur, Parti Communiste Bresilien," issued by the International Relations Department of the Central Committee, Brazilian CP, dated March, 1967.

Xerox copies of the above six page item have been made by the Chicago Office and three copies thereof are being enclosed herewith for the Bureau and one copy for the New York Office. Also enclosed herewith for the Bureau and for the New York Office is one Xerox copy each of the envelope bearing the above return address.

- 3 - Bureau (Encls. 4) (RM)
- 1 - New York (100-134637) (Encls. 2) (Info) (RM)
- 1 - Chicago

RWH:mes  
(5)

*Handwritten:* 1cc of encl to RB  
CZM  
5/22/67  
RWH

REC-16

*Handwritten:* 100-428091-6275

6 MAY 22 1967

Approved: 80 JUN 14 1967  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_



BEST COPY  
AVAILABLE 6 Sub B

It is suggested that if the Bureau feels that translation of this material might be of some value that copies of such translations be furnished to New York and Chicago for information.

Extra copies of the document have been furnished to the Bureau as it may be desirable to disseminate this material to CIA.

SUMMARY FROM FRENCH

The six-page pamphlet is entitled "Information Bulletin for Foreign Readers." It was prepared by the Brazilian Communist Party, Foreign Relations Section of the Central Committee of the Brazilian Communist Party.

According to a statement on the front page, the purpose of these publications is to furnish "documents, discussions of Party life, political analyses and positions."

This issue is dated March, 1967. It is devoted to a discussion of the March 1967 "Plenary Session of the Central Committee."

In this session, it is said, the Central Committee of the Brazilian Communist Party approved a report on the international situation prepared by the Party's Executive Committee.

A summary of this report was adopted "in the form of a resolution."

The resolution points out that the international situation shows an ever-increasing aggressiveness on the part of the imperialists, particularly American imperialists. This is demonstrated by the violence with which the Washington Government is waging war against the people of Vietnam and is attacking the Democratic Republic of Vietnam, thereby posing a serious threat to world peace and the security of nations.

The aggressive nature of imperialism is abundantly demonstrated by the aggression on the Congo, the military coups in Brazil and Argentina, the invasion of the Dominican Republic, the commercial bloc of Cuba, the monstrous massacre of communists in Indonesia. Violence is being used to stop the march of nations toward complete emancipation and social progress.

SUMMARIZED BY: \_\_\_\_\_

June 5, 1967

b6

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ENCLOSURE

100-428691-627

Under the circumstances, a few pertinent questions should be asked. Is it possible imperialism is more aggressive because it has become stronger compared with socialism? Has the balance of power in the world shifted in favor of imperialism? Has the Leninist policy of peace and peaceful coexistence among nations with different social regimes been a failure? Is world war inevitable?

The aggressiveness of imperialism cannot change the fact that the main direction of history's development is determined by the world socialist system and by the forces which struggle against imperialism in favor of transformation of society.

Even though, during the last few years, imperialism has managed to kindle a number of armed conflicts which constitute dangerous fires aggravating international tension, its main goal of triggering off a third world war has not been attained. In addition, it has not been able to stop the progress of socialism and the struggle of the developing nations against their colonial yoke and in favor of national liberation and progress.

The world socialist system constitutes the greatest historical conquest of the international working class and the main revolutionary forces of our time. As a matter of fact, it provides the foundation on which all nations struggle for peace, democracy, national emancipation and socialism. Since it can count on the growing power of the Soviet Union, the world socialist system becomes stronger from day to day, thus heightening its international prestige and its influence on mankind's destiny.

Great successes have been achieved in the socialist camp, particularly in the Soviet Union. Communism is abuilding and it is absurd to see in the constant improvement of the living standard of the Soviets and of the socialist people a tendency to form a bourgeois society, as is claimed by the Chinese leaders. These successes exert a major influence on world revolution and the revolutionary movement of national emancipation.

By contrast, monopolistic capitalism and imperialism are marching toward their historical decline. Despite the high rate of production development in the most advanced industrialized countries of the world, the capitalist economy continues to remain unstable. The rate of inflation is sharply increasing, even in the United States. Public indebtedness grows. These are the symptoms of an inevitable

upheaval. If the aggressiveness of imperialism is gaining momentum, the blame is to be placed, to a very large extent, on the fact that there is no unity in the communist ranks. Imperialism is taking advantage of this situation. It is certain that the world communist movement, as a whole, has won many important battles during the last few years. These victories confirm that the decisions which were made at the Moscow international meetings in 1957 and 1960 were the right decisions. That is why the Brazilian Communist Party, like the overwhelming majority of the international communist movement, is not in agreement with the general line propounded by the leaders of the Chinese Communist Party.

An analysis of the situation in Latin America brings out the fact that, with the exception of Cuba, every single country of South America is suffering from the ever-increasing poverty of millions of people. Capitalism is developing in all Latin American countries to different degrees. But this development is stifled by imperialist domination and backward agricultural structures. The large-landed property is still the scourge of agriculture in Latin America.

In reality, the Alliance for Progress has been nothing else ~~but~~ a financial operation by the big financiers of the United States for lucrative purposes. From 1960 to 1963, the public debt of Latin America has risen from 1,741 million dollars to 9,100 million dollars.

U.S. policies in Latin America are embodied in the effort to give a semblance of legality to U.S. intervention by utilizing the connivance of subservient local governments, like the Castelo Branco government in Brazil. In order to defend themselves, the Latin American nations must unify their revolutionary activities throughout the continent and intensify their support for and solidarity with all movements which struggle against imperialism and strive for social progress.

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Translation of short remark at the end of the pamphlet:

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"The decisions adopted by the Central Committee included a number of resolutions aimed at mobilization of the Party for the attainment of the following objectives: "Solidarity with the people of Vietnam, solidarity with the Cuban revolution, struggle against the policies of the OAS, campaign

of solidarity with political prisoners, commemoration, of  
the 50th anniversary of the October Socialist Revolution."  
In this connection, a special committee was designated.

LABORATORIO DE PESQUISAS  
FARMACÉUTICO - CIENTÍFICAS

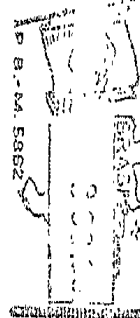
Dep. Internacional  
Rua Uruguai, 229  
Rio de Janeiro

To

Mr. Milton Adams

Box 4367

CHICAGO, ILL, 60680(over) - USA



BULLETIN D'INFORMATIONS POUR L'EXTERIEUR

PARTI COMMUNISTE BRÉSILIEN

Documents, vie du Parti, analyses et prises de positions politiques

DANS CE FUSILÉ :

- RÉUNION PRÉLIMINAIRE DU COMITÉ CENTRAL - MARS 1967 .

Bulletin élaboré par la Section de Relations Extérieures du Comité Central du P. C. B.

Mars, 1967.

Le Comité Central du Parti Communiste Brésilien, lors de sa session plénière de Marx, approuva le rapport, présenté par la Commission Exécutive, sur la situation internationale. Voici un résumé de ce document, adopté sous forme de Résolutions:

Le Comité Central signale que "... la situation internationale se caractérise actuellement par une agressivité croissante des impérialistes, en particulier de l'impérialisme américain", comme le témoigne "... la violence avec laquelle le gouvernement de Washington fait la guerre contre le peuple du Vietnam et attaque la République Démocratique du Vietnam, constituant ainsi une très grave menace à la paix mondiale et la sécurité des peuples".

"Les faits démontrent que la nature agressive de l'impérialisme n'a pas changé. Dernièrement, des événements comme l'agression au Congo, le coup d'état militaire au Brésil et, plus récemment, celui de l'Argentine, ainsi que divers autres coups d'états réactionnaires en Afrique, le débarquement de troupes à St. Domingue, le blocus commercial à Cuba, maintenus sous menace continue d'intervention armée, le monstrueux massacre de communistes en Indonésie, ainsi que la persécution systématique aux communistes par tous les gouvernements au service des monopoles impérialistes, constituent des preuves catégoriques de l'orientation appliquée par l'impérialisme yankee, qui s'efforce en gardant le monde, pensant qu'il soit possible, en s'utilisant de la violence, empêcher la marche des peuples dans la voie de la complète émancipation nationale et du progrès social".

Après avoir dénoncé la source aux armements des Etats-Unis, ce qui mène l'impérialisme à maintenir à l'état latent le danger d'extension des conflits locaux, fruits d'agression, en une guerre mondiale nécessairement transformée en catastrophe thermo-nucléaire, le rapport souligne: "Face à cette situation menaçante, le révolutionnaire ne peut se limiter à une simple constatation de ce phénomène; il est indispensable d'en poursuivre l'étude jusqu'à son essence, et d'en rechercher la cause fondamentale de cette agressivité croissante des impérialistes. Est-il possible que l'impérialisme soit plus agressif parce qu'il soit devenu plus fort comparé au socialisme? Le rapport des forces dans le monde aura-t-il changé en sa faveur? La politique léniniste de paix et de coexistence pacifique entre Etats à régimes sociaux différents aura-t-elle fait faillite? L'orientation du mouvement communiste international, tracée par les Déclarations de 1957 et 1960 serait-elle dépassée? La guerre mondiale serait-elle inévitable? Il est indispensable de répondre à de telles interrogations".

"L'agressivité de l'impérialisme ne peut escamoter le fait que la direction principale du développement historique est, à l'époque contemporaine, déterminée par le système socialiste mondial et par les forces qui luttent contre l'impérialisme et en faveur de la transformation de la société". Le rapport met en évidence le fait que "si bien que l'impérialisme ait pu, à diverses occasions dans les dernières années, passer de la guerre froide à des conflits locaux, - à des guerres locales, - qui constituent des foyers dangereux et aggravant la tension internationale, il n'a pu, néanmoins, déclencher la troisième guerre mondiale. En second lieu, il n'a pu enrayer le progrès du socialisme, ainsi que la lutte des peuples contre le joug colonial, en faveur de la libération nationale et la progrès des peuples".

L'agressivité yankee reflète une plus grande force relative, mais aussi le désespoir de qui se place dans un sens contraire au développement historique et espère pouvoir s'utiliser de l'affaiblissement combiné de l'unité du système socialiste mondial et du mouvement communiste international, en bénéficiant de ses objectifs réactionnaires.



Rappelant la grande signification de la Révolution d'Octobre, le document concie qu'à partir de ce moment la lutte entre les deux systèmes opposés prend la forme d'une nouvelle et plus concentrée expression de la contradiction fondamentale entre le capital et le travail. Mais avertit qu'on ne doit pas confondre ce que l'on peut appeler d'année plus faible de la chaîne impérialiste avec la contradiction principale du monde contemporain. Il s'agit d'une sous-estimation évidente de l'importance et du rôle du système socialiste mondial. Il est dit encore que les révolutions libératrices et nationales font partie de la révolution socialiste mondiale et ne seront conséquentes que sous "la direction internationale du prolétariat", car "nier cette direction c'est nier la nécessité de l'hégémonie du prolétariat dans la révolution, et capituler devant le nationalisme bourgeois".

Le rapport souligne encore que "Le système socialiste mondial constitue la plus grande conquête historique de la classe ouvrière internationale et la principale force révolutionnaire de notre époque, ainsi qu'une base sûre pour tous les peuples qui luttent pour la paix, la démocratie, l'émancipation nationale et le socialisme". Compteant sur le pouvoir croissant de l'Union Soviétique, le système mondial du socialisme se fortifie chaque jour d'argentage et renforce son prestige international, ainsi que son influence sur les destinées de l'humanité.

La ferme politique de paix de l'Union Soviétique, réaffirmé par le XIII<sup>ème</sup> Congrès du PCUS, qui fit le bilan des grands succès remportés et traça un audacieux plan pour l'avenir, contraste avec la politique réactionnaire et agressive de l'impérialisme et contribue à démasquer les tentatives de tromper les peuples, en lançant l'idée du soi-disant danger d'attaque soviétique, ainsi que d'autres arguments dans le même genre, avec lesquels ils ont essayé de justifier la création des blocs militaires agressifs, comme la NATO, la SEATO, le CENTO, L'OPZ, etc.

Le rapport se réjouit des grands succès obtenus par l'ensemble du camp socialiste, en particulier par l'URSS, dans la construction du communisme et déclare qu'il est absurde de voir dans le continuel accroissement du niveau de vie des soviétiques et des peuples socialistes, comme le font les dirigeants chinois, une tendance à l'ambourgeoisement. Ces succès exercent une influence sur la révolution mondiale et le mouvement révolutionnaire d'émancipation nationale.

Par contre, "...le capitalisme monopoliste, l'impérialisme, marche vers son déclin historique". Malgré "l'accroissement du rythme du développement de la production dans les pays industriels plus avancés, l'économie capitaliste continue instable". Le rythme inflationnaire s'accroît même aux Etats-Unis, alors que la dette publique et les dettes de la population s'accroissent, - systèmes d'une commotion inévitable.

La lutte de libération nationale menée par des peuples chaque jour plus nombreux d'Asie, d'Afrique et d'Amérique Latine, qui s'affranchissent du joug colonial du capitalisme et se constituent en États souverains et participent activement aux affaires internationales, contribue de façon fondamentale à la décadence et à la décomposition de l'impérialisme. De cette façon, la sphère d'influence de l'impérialisme se rétrécit, ce qui l'oblige à recourir à des gouvernements laquais, comme celui du Brésil, afin d'appuyer la dictature de Salazar qui opprime avec violence les peuples africains d'Angole, de Mozambique et de la Guinée Portugaise, en lutte héroïque pour leur libération nationale. Au contraire de ce qui se passait dans les premières années de l'après-guerre, quand les monopoles américains jouissaient d'une position de suprématie absolue sur ses concurrents affaiblis, ils font maintenant face à des rivaux qui se renforcent, comme la France, l'Allemagne Occidentale, le Japon". Il s'ensuit que les blocs militaires agressifs tendent à la désagrégation, comme

c'est le cas de la NATO, avec le retrait de la France. Par contre, les relations de plusieurs pays européens avec l'URSS et d'autres pays socialistes s'améliorent. "Il est vrai qu'à certains moments les impérialistes américains ont remporté des succès provisoires. Mais l'important est de savoir si l'impérialisme est capable de vaincre la crise du système que lui-même construisait dans l'après-guerre. Les faits montrent qu'il n'en est pas ainsi, bien au contraire, puisque même la crise sociale et interne des Etats-Unis s'accroît, comme le témoignent l'explosion du problème nègre et les grandissantes manifestations contre la "sale guerre" du Vietnam.

"On voit ainsi que les faits démontrent que l'agressivité croissante de l'impérialisme ne reflète en aucune façon le moindre changement du rapport de forces en sa faveur. En réalité, face à l'accroissement incessant de la force du camp socialiste, à l'agrandissement de la lutte de libération anticoloniale et du mouvement ouvrier, l'impérialisme fait des efforts désespérés pour en dévier l'évolution. Mais, malgré l'isolement où le mène la "Doctrine Johnson" et le rôle de gendarme international qu'il s'attribue, on ne peut sous-estimer la force de l'impérialisme et encore moins considérer qu'il n'est qu'un simple "tigre de papier".

Le document du Comité Central affirme que "Si maintenant l'agressivité de l'impérialisme a augmenté et qu'il soit plus difficile de lui donner une juste réplique, cela se doit en bonne mesure au fait qu'il n'existe pas d'unité dans les rangs communistes". L'impérialisme tâche d'en tirer parti. Il est certain que... "le mouvement communiste mondial, dans son ensemble, a remporté d'importants succès au cours des dernières années, succès qui confirment la justesse des décisions prises aux réunions internationales de Moscou en 1957 et 1960". Dans ce cadre... "notre Parti, de même que l'immense majorité du mouvement communiste international n'est pas d'accord avec la "ligne générale" défendue par les dirigeants du Parti Communiste Chinois". La question fondamentale des divergences concerne le rôle du système socialiste mondial, les voies de construction du socialisme, la possibilité de conjurer une guerre mondiale, la coexistence pacifique de pays à régimes sociaux différents, la nécessité de lutter contre l'idéologie et la pratique du culte de la personnalité, des formes de passage au socialisme des pays capitalistes développés et de ceux qui se sont libérés du colonialisme, la stratégie et la tactique du mouvement ouvrier mondial, ainsi que la lutte de libération nationale. "Ces divergences, néanmoins, ne devraient pas mener à l'affaiblissement de la solidarité entre Partis marxistes-léninistes et à la division du système mondial du socialisme et du mouvement communiste et ouvrier international. A ce sujet, le document fait un exposé et critique l'attitude et les documents des dirigeants du Parti Communiste Chinois, faisant allusion aux communistes brésiliens, ajoutant: "Malgré l'appui ostensif, apporté par les dirigeants chinois au groupe des renégats, expulsés par notre Parti, et par eux considérés comme les véritables porteurs des idées marxistes-léninistes, - ce qui représente une agression gratuite et injustifiée, - nous avons, dans la mesure de nos modestes possibilités, participé aux efforts communs, en vue d'une plus grande cohésion du mouvement communiste international, et nous nous maintiendrons dans cette voie, d'accord avec la Déclaration de Moscou de Mars 1965, déjà approuvée par notre Comité Central. Cela signifie que nous sommes disposés à participer de toutes les initiatives visant l'unité du mouvement communiste international, y compris d'une réunion de caractère mondial".

L'analyse de la situation de l'Amérique Latine souligne que "... à l'exception de ce qui se passe à Cuba, la situation de tous les pays de l'Amérique Latine se caractérise par la misère croissante de millions de personnes. A des degrés divers, dans tous les pays latino-américains, le capitalisme se développe. Mais ce développement se choque avec la domination impérialiste et une structure agraire arriérée, basée sur le latifundia semi-féodal. Cela conduit à des interruptions et des reculs du rythme de développement et à un procédé inflationnaire, au moyen duquel toutes les difficultés sont déchargées sur les

épaulés des grandes masses travailleuses, dont l'exploration augmente, et-  
teignement des proportions inhumaines". C'est ainsi que... (rien qu'en 1963) les  
Bénéfices réalisés par les entreprises yankees en Amérique Latine furent trois  
fois supérieures au capital américain investi pendant cette même période".

D'un autre côté, "les forces démocratiques et patriotiques, chaque  
fois plus nombreuses, s'utilisent des plus diverses formes de lutte, -- grè-  
ves, manifestations curieuses et d'universitaires, occupation de terrains  
non-habités par les sans-foyer dans les villes et les propriétés foncières par  
les ouvriers agricoles, jusqu'aux actions de guerrillas, comme il arrive en  
Colombie, au Venezuela, au Guatemala et au Pérou".

Le document souligne aussi la contribution décisive de... "l'exemple du  
peuple cubain, dont la révolution victorieuse démontre qu'il est possible de  
vaincre l'ennemi impérialiste et ses agents internes en Amérique Latine". Et  
il ajoute que "la construction du socialisme à Cuba constitue la plus grande  
conquête de la classe ouvrière et des peuples de l'Amérique Latine". Mais les  
... "grandes conquêtes de la révolution cubaine continuent néanmoins constamment  
menacées"; c'est pour cela que "développer la solidarité à la révolution cuba-  
ine et l'appui au gouvernement de Cuba socialiste est un devoir de toutes  
les forces révolutionnaires de l'Amérique Latine. -- En défendant la révolution  
cubaine, les communistes et les peuples latino-américains défendent leur plus  
grande conquête, défendent leurs propres intérêts, ainsi que les libertés, la  
dignité et l'avenir de leur propre peuple".

L'accroissement de la lutte des masses et, particulièrement, la victoi-  
re de la révolution cubaine placent les impérialistes yankees face à une... "nou-  
velle situation qui menace leur domination". C'est pour cela qu'en s'effor-  
çant d'annuler ses difficultés, le gouvernement de Washington... "cherche à  
adopter une nouvelle tactique et à agir en plus grande échelle de son-  
vieux et démodé procédé d'aide", basé sur l'Alliance pour le Progrès",  
dont les objectifs visent à isoler et soumettre Cuba, ainsi qu'à détenir la va-  
gus révolutionnaire en Amérique Latine", "... au moyen de réformes et de la  
formation de structures sociales et politiques plus stables et en confiant le  
pouvoir à une bourgeoisie jouissant de l'appui de masse, et dans ce cadre, fa-  
voriser un certain progrès économique et l'élévation du niveau de vie de la po-  
pulation. Mais le tout sans toucher aux intérêts des monopoles yankees; bien au  
contraire, on cherche à assurer et de garantir plus de facilités, pour mieux  
exploiter les peuples latino-américains". Cette "aide" n'a fait qu'aggraver la  
situation économique et financière de tous les pays qui l'ont reçue. De 1960  
à 1963, la dette publique externe de l'Amérique Latine est passée de 1.741 mil-  
lions de dollars à 9.100 millions.

En réalité, "l'Alliance pour le Progrès n'est rien de plus qu'une opéra-  
tion financière dirigée par la haute finance des Etats-Unis à dessin lucratif,  
camouflée par quelques décrets de caractère social". Mais il y a l'autre as-  
pect de la politique américaine, celui de l'intervention armée, auquel elle  
cherche à donner un caractère collectif", "... s'utilisant de la connivence de  
gouvernements locaux, comme celui de Mr. Castelo Branco". Mais les difficultés  
s'accroissent au sein de l'Organisation des Etats Américains, où surgissent des  
divergences et, même, des méfiances quant à la politique financière des Etats-  
Unis. Cela n'empêche pourtant pas que ceux-ci arrivent, malgré une certaine ré-  
sistance, à faire considérer comme appartenant à l'ONU les forces armées améri-  
caines qui débarquent à St. Domingue et qui, comme on le sait, comptèrent avec  
la collaboration d'un contingent du Brésil et d'une participation symbolique de  
gouvernements sud-américains, comme celui du Paraguay. Le but de l'impérialisme  
yankee est de mettre sur pied la "Force Inter-Américaine de Paix", à caractère  
permanent, semblable à la NATO. Pour justifier sa politique d'agression et  
d'intromission, le gouvernement américain propage des théories comme celle des

"Frontières idéologiques" et celle d'une nouvelle conception de souveraineté nationale, "d'interdépendance", qui préconise la substitution des armées nationales par une force collective. Etant donné le retard industriel relatif des pays de l'Amérique latine, cette force serait obligatoirement basée sur l'hégémonie des Etats-Unis. Certains gouvernements, comme celui du Mexique, du Chili, de l'Uruguay, résistent encore aux prétentions de Washington de transformer l'OEA en organisation armée, contrairement à la politique de Mr. Castelo Branco, qui "... est aujourd'hui le plus grand propagateur de la politique d'intervention des Etats-Unis". Mr. Castelo Branco reconnaît ainsi que les classes dominantes de notre pays ne sont plus capables de défendre leurs intérêts face à l'accroissement des forces anti-impérialistes et anti-féodales, et qu'elles se voient obligées à recourir à la "défense collective", euphémisme de la force armée de répression, dirigée par les Etats-Unis et la seule qui dispose de conditions sérieuses d'intervenir ou d'entrer en action avec efficacité, dans le cadre des accords internationaux de défense mutuelle". Il ne s'agit donc pas d'intervention, comme celle de St. Domingue, mais de préparation ouverte à la participation aux guerres criminelles d'agression des Etats-Unis, comme celle menée contre le peuple vietnamien. "C'est là la menace la plus sérieuse à laquelle les peuples de l'Amérique Latine font face".

Pour se défendre de tels périls, les peuples latino-américains doivent unifier leur activité révolutionnaire dans tout le continent et intensifier l'appui et la solidarité à tous les mouvements de lutte contre l'impérialisme et à ceux qui visent le progrès social. Malgré les différences du niveau de développement économique, de traditions, du niveau d'organisation et de la conscience révolutionnaires, l'ennemi est le même. A ce sujet, la Conférence Tricontinentale, réalisée en Havane, constitue un progrès qui prouve que, malgré certaines divergences, l'on peut atteindre l'unité des forces anti-impérialistes et intensifier le mouvement de solidarité aux peuples victimes de l'agression. La "Déclaration Générale", approuvée à cette occasion, ainsi que d'autres résolutions, reflètent les intérêts des peuples représentés à cette Conférence.

Pour terminer, le document conclut: "La lutte pour l'application de la ligne politique et de la tactique de notre Parti, en vue de la réalisation de nos tâches révolutionnaires internes, est inséparable de nos tâches de caractère international. Une évaluation correcte de la situation internationale, du rapport des forces mondiales, est indispensable pour comprendre et établir, avec justesse, l'importance de la lutte que nous menons contre la dictature, en défense de libertés démocratiques, la complète émancipation nationale et le progrès social. Nous ne sommes pas seuls dans notre lutte contre l'impérialisme américain et la réaction interne. Nous comptons sur la solidarité de tous les peuples qui luttent contre le colonialisme, le néo-colonialisme, le mouvement ouvrier international. Nous comptons sur l'appui moral et politique de la puissante Union Soviétique et des autres pays socialistes. La bataille à laquelle nous prenons part en défense de la paix mondiale et en appui des peuples qui luttent contre l'impérialisme en particulier, en ce moment, en appui au vaillant peuple vietnamien, représente un important élément d'élargissement et de renforcement de la lutte contre la dictature dans notre pays. Mais, par ailleurs, c'est en intensifiant la lutte contre la dictature militaire réactionnaire, instrument de l'impérialisme américain, que nous donnerons une plus grande contribution pour la paix mondiale, contre l'impérialisme et pour la victoire du socialisme et du communisme dans le monde entier".

Parmi les décisions adoptées par le Comité Central, figurent des résolutions visant à mobiliser le Parti en vue des objectifs suivants: - solidarité aux peuples du Vietnam; - solidarité à la révolution cubaine; - lutte contre la politique de l'OEA; - campagne de solidarité aux détenus politiques; - commémoration du 50<sup>ème</sup> anniversaire de la Révolution Socialiste d'Octobre. A cet égard, une commission fut désignée.

ENCLOSURES TO BUREAU (4)

Three (3) copies of Portuguese  
language document entitled  
"Bulletin D'Informations Pour  
L'Exterieur, Parti Communiste  
Bresilien

One (1) copy of envelope bearing  
return address of "Laboratorio De  
Pesquisas, Farmaceutico-Cientificas,  
Dep. Internacional, Rua Uruguai, 225,  
Rio de Janeiro"

Bureau 100-428091  
Chicago 134-46 Sub B



100-428091-6275  
ENCLOSURE

~~CONFIDENTIAL~~

1 - Liaison  
1 - Mr. R. H. Horner

Date: May 22, 1967  
To: Director  
Bureau of Intelligence and Research  
Department of State  
From: John Edgar Hoover, Director  
Subject: RECEIPT BY COMMUNIST PARTY, USA, OF PRINTED  
MATERIAL FROM NORTH VIETNAM AND NATIONAL  
LIBERATION FRONT

105

10 Solo

In May, 1967, a source which has furnished reliable information in the past furnished the following.

Joe Brandt, a member of the National Executive Board, Communist Party, USA, is responsible for receiving and distributing material published by the Democratic Republic of Vietnam and the National Liberation Front of South Vietnam.

Brandt receives this material on a regular basis, without cost and in substantial supply. He personally distributes it to the Party leadership in New York.

The source of his supply is as yet unknown.

1 - Director  
Central Intelligence Agency

REC 29 100-428071 6276

Attention: Deputy Director, Plans

8 MAY 23 1967

NOTE: Classified "~~Confidential~~" since unauthorized disclosure of this information could result in the identification of the source (CG 5824-S\*) who is of continuing value and such revelation could result in grave damage to the Nation.

This material was furnished by CG 5824-S\* on the basis of discussion with Joe Brandt, member of National Executive Board, CPUSA, and extracted from Chicago letter to Bureau, 5/16/67, captioned "CPUSA - Pamphlets and Publications, IS- C."

~~CONFIDENTIAL~~

RHH:dmk

(6) *dmk*

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

*McCarthy*  
*Cart*

56 MAY 31 1967

MAIL ROOM  TELETYPE UNIT

BY COURIER SVC.  
6 MAY 22  
COMM-FBI

- Olson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Tavel \_\_\_\_\_
- W.C. Sullivan \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

# ROUTE IN ENVELOPE

Date: 5/18/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO  
IS-C

*Handwritten notes:*  
Blair  
S. R. [unclear] (cont)  
Lit [unclear]  
Gable

On 5/20/67, NY 694-S\* expects to meet with the Soviets for the purpose of transfer of Soviet money to the CPUSA. (See New York airtel 5/17/67). At that time, NY 694-S\* will transmit to the Soviet contact on microfilm information requested from the source by VLADIMIR KAZAKOV in April, 1967. (VLADIMIR KAZAKOV has described himself as the "man in charge of security for the CCCPSU").

This information concerns questions on: 1. How Americans living abroad avoid paying taxes; 2. What is the law in the United States concerning an American who leaves the country to avoid the draft (see New York airtel 4/24/67, page 4); 3. How a person who was not born in the USA and whose parents were American citizens can gain entry into the USA (see New York teletype 4/20/67).

To furnish the information concerning question number one, the tax question, a pamphlet issued by the Internal Revenue Service (IRS) will be sent to the Soviets on microfilm. This pamphlet, a 1967 edition entitled "Tax Guide for U.S. Citizens Abroad", issued by the United States Treasury Department, IRS, publication number 54 (revised 10-66), can be obtained by anyone making a request for it to IRS.

- 3 - Bureau (100-428091) (RM)
  - 1 - Chicago (134-46-SUB B) (AM RM)
  - 1 - New York (134-91) (INV) (41)
  - 1 - New York (105-14931-SUB C) (TALANOV) (341)
  - 1 - New York (100-134637) (41)
- Handwritten:* 1-904 add with [unclear] 113  
60-63107-6277

JFL:gmd  
(8)

Approved: [Signature] Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge  
5 MAY 29 1967

NY 100-134637

The information concerning question number two, the draft status of an individual who has left the country to avoid the draft, can be obtained by an Attorney through telephone calls to Selective Service officials and the United States Attorney's office.

The information concerning question number three, involving the entry into the United States by an individual who was born abroad to American parents was obtained through telephone calls to the Passport Agency of the Department of State and to the Immigration and Naturalization Service (INS), Department of Justice.

The information that will be sent to the Soviets concerning questions two and three ~~are~~ as follows:

"When an individual who is eligible for induction into the armed services of the United States leaves the country the U.S. authorities attempt to locate him in the foreign country. U.S. representatives will talk to the individual, explaining his obligation. If he refuses to return and comply with his induction orders, the U.S. representative notifies the proper U.S. authorities of this individual's deliberate refusal to be inducted. A warrant for his arrest will be obtained by the U.S. Government, and all interested Government agencies notified. Until the warrant is dismissed, the statute of limitations does not apply. Whenever the individual returns, the warrant will be served and the individual arrested. The U.S. State Department, on notification of the individual's deliberate attempt to evade the draft, will attempt to have his passport confiscated."

"A child born in a foreign country to American parents is considered to be an American citizen if the following regulations were complied with: His parents should have registered his birth with the nearest American embassy or consulate. This registration requires the furnishing of a personal history of the family. The American officials make a determination from the information furnished if the child is an American citizen. If the determination is favorable a passport may be issued in the child's name, or his name may be added to his parents passports."



NY 100-134637

"If such procedure had not been followed the individual at a later date may go to the nearest American embassy or consulate and declare that he is an American. At this time he is required to fill out a questionnaire requiring extensive background information which includes a personal history of the individual, his immediate family and relatives. This includes evidence of American citizenship of his parents, circumstances of his birth, information in affidavit form verifying his residences since birth and those of his parents, both in the United States and abroad. Thereafter, on the basis of the information furnished by the individual, an extensive investigation is conducted by the American State Department in the United States to verify the information furnished by the individual. If investigation is favorable, the State Department will instruct the pertinent U.S. embassy or consulate that they may issue an American passport to this individual."

If the Soviets fail to make contact with NY 694-S\* on the evening of 5/20/67, the above information will be furnished to them on the next personal contact they have with the source.

# ROUTE IN ENVELOPE

*W* SAC, New York (100-134637)

5/24/67

1 - Mr. R. C. Putnam

Director, FBI (100-428091)

*(C)*  
SOLO  
INTERNAL SECURITY - C

Reurairtel 5/18/67 which set forth suggestion from NY 694-S\* that if he could provide the Soviets with an advance copy of the book by Svetlana Stalin he could greatly enhance his prestige.

This matter has been carefully considered at the Bureau. It is noted that your office indicated that the practicability of the suggestion would be a problem and that such a plan might be inconsistent with Government policy. The Bureau agrees with your observations. No further consideration should be given to the suggestion at this time.

1 - Chicago (134-46 Sub B)

RCP:seq (5) *[Signature]*

NOTE:

While on Solo Mission 23, NY 694-S\* was requested by his Soviet superior to assist the Soviets in making contacts and in furnishing information of special interest to the Soviets. Informant suggested the matter referred to in this letter as something which would be of special interest to the Soviets and thus greatly enhance his prestige if it could be accomplished. While there is no doubt that the Soviets would be most grateful to informant if he could obtain an advance copy of the book for them, this would not be in the best interests of the United States for the Soviets would have advance knowledge which would enable them to combat any unfavorable items on the propaganda front. While we look with interest on any tactic which will aid in advancing our informants, we should not consider a tactic which could materially aid the Soviets without achieving a multifold gain for ourselves.

EX-110  
REC-35

*100-428091-6278*  
*JH* *JS*

MAY 23 1967

COMM-FBI

h  
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f  
B  
n  
oom

55 MAY 29 1967

MAIL ROOM  TELETYPE UNIT

# ROUTE IN ENVELOPE

Date: 5/17/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: <sup>6</sup> SOLO  
IS-C

*Star*  
*S-R. P. [unclear]*  
*ADla*  
*Fyork*

On 5/16/67, there was transmitted to the Soviets by way of a New York City drop four ciphered-partially coded and three partially-coded messages on microfilm, the plaintext of which are as follows:

1. "CCCPSU - Urgent.

"Surveyed area of Kon again very carefully. Everything okay for colour prints for third Saturday in May, 9:05 PM sharp. Will be there as previously arranged in a Ford car four door sedan.

"Jack Brooks"

(The above refers to the contemplated transfer of Soviet money to the CPUSA).

2. "My red gamma record shows a gap from number 83929 to number 63123. Do you know of this?"

*1-904 9-10*

"Jack Brooks"

- 3 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46-SUB B) (AM RM)
- 1 - New York (134-91) (INV) (41)
- 1 - New York (105-14931-SUB C) (TALANOV) (341)
- 1 - New York (100-134637) (41)

REC 46

*62 79*

JFL:gmd  
(8)

MAY 24 1967

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

65 MAY 29 1967

BEST COPY AVAILABLE

NY 100-134637

(The above refers to a message sent in April that was ciphered and sent to JACK BROOKS which he did not receive since he was travelling abroad. Red garms are used for incoming messages).

3. "Your first radio message regarding May and June schedule received okay and acknowledged same date by April telephone at time agreed - 5:05 PM.

"Jack Brooks"

(Regarding above, see New York airtels dated 4/24 and 25/67).

4. "It is now okay to see Mrs. Hall as secondary channel. This channel should be used in the same manner as in the past with Gibby Needleman.

"Jack Brooks"

(Regarding above, see New York airtel dated 2/13/67).

5. "CCCPSU

"I was both surprised and shocked when I learned that our May Day delegation was not met when it arrived in Moscow. You knew of this delegation in advance through several sources, one, over six weeks ago, and the other being James Jackson, who gave details of exact arrivals to Washington, D.C. Embassy.

"Gus Hall"

6. "CCCPSU

"Lou Diskin, a member of our National Committee from Chicago, and wife Bernice are going to Mongolia and will pass through Moscow. Dates and details will be sent later.

"Will Weinstone, a member of our National Committee from New York, and wife Monette will be going to the Soviet Union for rest.

BEST COPY AVAILABLE

NY 100-134637

"Also James Mellon Peake, Jr., a CPUSA youth leader and national leader of the DuBois Club and [redacted] of Chicago will go to the Soviet Union for rest. Will transmit details and dates later.

b6  
b7c

<sup>Joe</sup>  
"James North, a member of our National Committee, is leading a tour delegation to the Soviet Union for a dialogue in early July. Dates and details will be furnished later.

"Please have available now at the Washington, D.C. Embassy visas for the above mentioned Comrades.

"Gus Hall"

7. "Drop Millie is next".

# ROUTE IN ENVELOPE

Date: 5/15/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*R.O. [Signature] (cont)*  
*[Signature]*

*100-428091-109*  
*5/15/67*  
*[Signature]*

Enclosed herewith for the Bureau are three copies, and for the New York Office one copy, of an informant's statement captioned "CONTEMPLATED TRAVEL TO USSR AND EUROPE BY WILLIAM AND MONETTE WEINSTONE, NEW YORK, NEW YORK."

The information set forth in the enclosed informant's statement was orally furnished by CG 5824-S\* on 5/10 and 11/67 to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

The pertinent information set forth in the enclosed informant's statement concerning contemplated travel of the WEINSTONES is being disseminated by separate cover to New York in accordance with previous Bureau instructions.

REC 18 100-428091-280

6 MAY 26 1967

- 1 = 904 94D *with [unclear]*
- ③ - Bureau (Encls. 3) (RM)
- 1 - New York (100-134637) (Encl. 1) (Info) (RM)
- 2 - Chicago
- 1 - A)134-46 Sub B-123

RWH:mes  
(6)

*INT [Signature]*

56 JUN 5 1967

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

CONTEMPLATED TRAVEL TO  
USSR AND EUROPE BY WILLIAM  
AND MONETTE WEINSTONE, NEW  
YORK, NEW YORK

Gus Hall, General Secretary, Communist Party (CP), USA, advised that he had approved a trip by William Weinstone and his wife, Monette, to the USSR and that they would be included in the CP, USA's quota of persons invited to that country for vacation and travel in 1967. Hall desired that the CP of the Soviet Union be advised of the contemplated travel of the Weinstones and that arrangements be discussed with them for this trip.

In connection with the above it has been learned that William Weinstone has tentatively established the dates for his travel to the USSR as June 15 to July 29, 1967, and that the dates established for his wife are July 16 to 29, 1967. On their return trip from Moscow to the United States the Weinstones hope to stop over in Budapest, Hungary, Prague, Czechoslovakia, and London, England.

In preparation for their travel, William Weinstone prepared a brief document for Hall. In this item the following was set forth:

"Dear Gus

"I saw Si Gerson and talked with him about trip plans. He thought it advisable to make reservations for me because of difficulties of getting plane on dates you want it. He reserved a plane for me via Air France to Paris for June 15, 1967, and Paris to Moscow via Aeroflot, arriving Moscow June 15, 1967, evening. I told him I wasn't authorized to proceed to specific arrangements. He agreed this was subject to my confirmation after your advice.

"I would like to do business with him in this matter if possible. When you advise, Monette can make her arrangements accordingly to leave July 15, 1967, which would bring her in Moscow July 16, 1967.

"Please advise if O.K. and also further procedure regarding visas to USSR, etc.

*1 - 100-100000-1000*  
*CLASUB*

"I take it that I will arrange visits to Budapest and Prague in Moscow or must it be done in advance here?

"In London I want to see Central Books regarding possible business arrangements but will cover cost of our London visit myself.

"There will be other things I may want to do business-wise but that I'll see.

"Will"



# ROUTE IN ENVELOPE

Date: 5/22/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
IS-C

*Handwritten notes:*  
5-22-67 (last)  
C.G. [Signature]

ReNYairtel, 5/17/67, reflecting that on 5/16/67, the Soviets were sent the following message by the CPUSA:

"Surveyed area of Kon again very carefully. Everything okay for colour prints for third Saturday in May, 9:05 p.m. sharp. Will be there, as previously arranged, in a Ford car, four door sedan."

On 5/20/67, as previously arranged, NY 694-S\* met his Soviet contact NIKOLAI TALANOV at the Kon rendezvous. TALANOV was accompanied by another Soviet whom the informant is unable to identify. At this meeting TALANOV, seated in his automobile, handed to NY 694-S\* three paper packages containing \$530,000 - \$50,000 in fifty dollar bills; \$400,000 in twenty dollar bills; \$80,000 in ten dollar bills. Whereas in the past Soviet money so transmitted was very securely wrapped, on this occasion the packages containing the \$530,000 were very loosely wrapped, resembling three packages of laundry.

- ③ - BUREAU (100-428091) (RM)
- 1 - CHICAGO (134-46-Sub B) (AM-RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 105-14931-Sub C (NIKOLAI M. TALANOV) (341)
- 1 - NY 100-134637 (41)

ACB:rvs  
(8)

EX-113 100-134637-6281

REC 10

MAY 26 1967

51 JUN 1 1967

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

NY 100-134637

There was no conversation between the Soviets and the informant, but TALANOV handed to NY 694-S\* a small piece of paper on which was written the following:

"500 - for you  
30 - for Carp (JESSICA SMITH)

530 colour prints

"Please acknowledge, May 20th, today at 11 p.m., if possible, by tel. no. 744 9200, only for this occasion, or tomorrow, May 21st at 10 a.m."

Before leaving the Soviet, NY 694-S\* gave to TALANOV a cigarette box containing microfilm on which was a message to the Soviets. The content of said message has been furnished to the Bureau by airtel dated 5/18/67.

# ROUTE IN ENVELOPE

SAC, Chicago (134-46 Sub B)

5/26/67

Director, FBI (100-428091)

1 - Mr. R. C. Putnam

**SOLO**  
**INTERNAL SECURITY - COMMUNIST** ~~TOP SECRET~~

Reurlet 5/18/67 which sets forth statements made by CG 5824-S\* regarding counterintelligence action to be directed against James Jackson.

The proposals set forth in referenced letter have been carefully considered in the light of protecting the security of CG 5824-S\* and the entire Solo Operation. Obviously, this question of security must have first consideration in initiating any action against Jackson. Since CG 5824-S\* received specific instructions from the Soviets to have Jackson's visits to the United Nations curtailed, it is impossible to proceed under the proposals outlined in referenced letter without jeopardizing his security. It is obvious that, if these proposals are adopted and resulted in adverse publicity against Jackson, the Communist Party, USA (CPUSA), and the Soviets, the only defense available to them is to cry "foul" and accuse the FBI or the Central Intelligence Agency of instigating this publicity. Coming on the heels of Soviet instructions to our informant to curtail Jackson's activity, CG 5824-S\* might find himself under suspicion by the Soviets for a program which smacked of Government collusion.

*134-46-114  
CG 5824-S\*  
10/27/66  
from the file*

*it*

EX-113 REC 10 100-428091-6282

The statement that Jackson represents a potential threat to the entire Solo Operation does not appear to be valid. For, if the Soviets are displeased with Jackson's injudicious activities at the United Nations, it would be most unlikely that they would reverse themselves to trust him in the sensitive activities involved in the Solo Operation.

MAILED 3  
MAY 25 1967  
COMM-FBI

6 MAY 26 1967

Your airtel of 3/1/67 stated that CG 5824-S\* had been instructed by his Soviet superiors to advise Gus Hall, General Secretary, CPUSA, of Jackson's peccadilloes and to indicate to Hall that Jackson's activities in this line must be stopped. It does appear that the only recourse CG 5824-S\* has is to advise Hall of the Soviets' displeasure in the 1 - New York (100-134637)

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

~~TOP SECRET~~

Classified by 7157  
Declassify on GDS: Category 2  
Indefinite  
MAY 27 1967  
MAIL ROOM TELETYPE UNIT

SEE NOTE PAGE TWO

*Handwritten initials and scribbles*

Letter to Chicago  
RE: SOLO  
100-428091

~~TOP SECRET~~

strongest terms and indicate that some action must be taken if the Soviets are to be placated.

The program set forth in referenced letter is not satisfactory at this time. It could set in action forces which would not be in the best interests of the United States.

NOTE:

CG 5824-S\* has proposed that publicity through cooperative news sources be directed at Jackson's frequent visits to the United Nations in order to assist him in fulfilling his instructions from the Soviets. This activity is not practical at the time for the reasons set forth above.

~~TOP SECRET~~

UNITED STATES GOVERNMENT

ROUTE IN ENVELOPE

Memorandum

Tolson	_____
DeLoach	_____
Mohr	_____
Walters	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. W. C. Sullivan

DATE: 5/22/67

FROM : C. D. Brennan *CB*

- 1 - Mr. C. D. DeLoach
- 1 - Mr. W. C. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Mr. R. C. Putnam

SUBJECT: SOLO  
INTERNAL SECURITY - COMMUNIST

*S-R [Signature]*  
*C. D. Brennan*

At 11:28 p.m., 5/20/67, Special Agent in Charge Donald C. Roney of our New York Office telephonically advised as follows:

At approximately 8:00 p.m., that date, NY 694-S\* received \$530,000 from Nikolai Talanov, a member of the Soviet Delegation to the United Nations. Talanov has been identified as a KGB (Soviet Committee for State Security) agent. Talanov was accompanied by another KGB agent Yuri Germash.

The funds transferred represent the largest single amount given the Communist Party, USA, at one time. Of the amount \$500,000 represents a direct subsidy for the Communist Party, USA, while \$30,000 is a Soviet subsidy for Jessica Smith and the "New World Review," pro-Soviet publication published in New York City.

The money was transferred at a previously agreed upon location in Westchester County, New York. It was contained in three packages done up in brown wrapping paper, each package double the size of a shoe box. Our New York Office is currently processing this money to record serial numbers and to check a representative number of bills to determine whether they are counterfeit.

REC 29 100-428091-6283

The receipt of these funds brings the total amount of money furnished the Communist Party, USA, by the Soviets since 9/58 to \$4,767,748.19. This money is used to finance the subversive programs of the Party in the United States.

ACTION:

6 MAY 26 1967

For information. The clandestine receipt of funds from the Soviets is not disseminated in view of the fact that it would jeopardize the security of NY 694-S\* and our entire Solo Operation.

100-428091  
RCP:skr (5)

*1 25 11 67*  
*Wey*  
*[Signatures]*

65 MAY 31 1967

# ROUTE IN ENVELOPE

Date: 5/22/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
IS-C

*R. J. [unclear] (Cont)*  
*[Signature]*

On 5/20/67, there was received at the Michael Pelham drop in NYC a letter addressed to GUS HALL under the latter's pseudonym HERBERT and signed by WILLIAM KASHTAN with the signature (B) advising that under separate cover there was being sent a number of documents dealing with international support for the struggles of Portuguese patriots fighting Salazarist oppression.

Enclosed herewith for the Bureau and Chicago are Xeroxed copies of the aforesaid letter, dated 5/16/67.

Since the said enclosures have not been forwarded to the Pelham drop, it is assumed that they are being sent to HALL through a separate channel.

*Let to State 5-24  
5/22/67*

REC 29

EX-113

*100-428091-6284*

MAY 26 1967

- 3 - BUREAU (100-428091) (Encls. 2) (RM)
- 1 - CHICAGO (134-46-Sub B) (Encls. 2) (AM-RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 100-134637 (41)

ACB:rvs  
(7)

Approved: [Signature] Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 JUN 5 1967

Special Agent in Charge

May 16, 1967

Dear Herbert:

Enclosed or under separate cover find a number of documents dealing with international support for the struggles of Portuguese patriots fighting Salazarist oppression both within the home country and in colonial wars in Africa alongside the national liberation forces. The documents reveal that on a certain level a degree of success has been achieved both as to: public exposure of the facts in the press etc and in parliament and also direct material assistance.

We have written and sent copies of the pamphlet REPORT ON A MISSION TO PORTUGAL to important organizations and individuals contacted during preparations for the Canadian Conference on Amnesty in Portugal inside the United States. e.g. American Civil Liberties Union, the Portuguese emigre group in New York, Angolan Students organization in Rochester, Spanish War Veterans, National Lawyers Guild (Max Dean of Detroit attended the Conference), etc. However there were no other delegates but the one mentioned from the U.S., despite heavy efforts to secure some.

We have asked that copies of the pamphlets be ordered from our committee here, the aim being:

1. To distribute copies to key congressmen or Senators with an accompanying letter, if possible from a formed citizens group in U.S. urging action. Civil Liberties leaders etc could be equally canvassed etc.

2. To utilize the pamphlet as an instrument for initiating in the U.S. similar actions as those developed in Canada - meetings or weekend conference, whichever is possible. The aim being a committee if one does not already exist drawing together diverse groups.

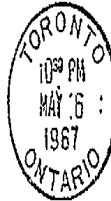
3. To develop liaison with different groups inside the U.S. and between the U.S. and Canada and South America e.g. our recent effort to place our submission before the UN would have been reinforced by U.S. initiatives. This matter is still open, since it is important to strive to air the problem before other bodies of the UN. One of the most pressing of these is the new decree permitting exile of political prisoners inside the home country to Devils' Island camps as in Tarrafal and other far-off colonial possessions. Intervention at the UN on this matter would be very useful. Other actions where Canada and the U.S. committees could cooperate could be developed e.g. around special grievous cases, the growing presence of NATO in and around Portugal and role of U.S. arms and support for Portugal; cultural matters involving Portuguese.

Please seek to stimulate those involved to contact the Canadian committee. e.g. (At the moment of writing none of the pamphlets ~~has~~ have been ordered from those contacted in the U.S.) Should someone wish to discuss this matter further in person, have someone contact us here.

Yours,

100-28091-6284

ENCLOSURE



Mr. Michael Pelham,  
P.O. Box 514,  
Grand Central Station,  
New York 17, N. Y., U.S.A.

PAR AVION

VIA AIR MAIL

CORREO AEREO



UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. Conrad *Jwe*

DATE: May 24, 1967

FROM : G. F. Downing

SUBJECT: SOLO  
INTERNAL SECURITY - C

*S- Putnam* ✓ *C. DeLoach*

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S\* who has been receiving communications transmitted to him by radio.

On 5/24/67, transmissions were heard by the Bureau's radio station at Midland at scheduled times and frequencies but no messages were transmitted.

**ACTION:**

For information.

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

*HS*  
HS:esp  
(7)  
*MB*  
*W*

REC-16 / 00 - 428091 - 6285

11 MAY 29 1967

EX-104

65 JUN 5 1967  
*F146*

UNITED STATES GOVERNMENT

ROUTE IN ENVELOPE

Memorandum

TO : SAC (100-134673)

FROM : SA THOMAS D. J. BROOKS (#34)

SUBJECT: SOLO  
IS-C

DATE: 5/25/67

Information contained herein was obtained from [redacted] on dates indicated by SAS [redacted] and [redacted] and Mr. [redacted] of the Central Intelligence Agency. [redacted] is a confidential informant, contact with whom has been insufficient to establish his reliability.

b6  
b7C  
b7D

There should be no dissemination of the contents of this memorandum and information from [redacted] outside of the Bureau without Bureau authorization.

b7D

In the event KGB code names appear in this memorandum, they are not to be further disseminated.

The classification given any communication prepared for dissemination outside the Bureau containing information from [redacted] will depend upon the nature and content of such information, each case standing on its own merits. Under no circumstances should a classification of less than "Confidential" be utilized.

b7D

CAUTION MUST BE EXERCISED IN THE HANDLING OF ANY INFORMATION RECEIVED FROM [redacted] AND NO ACTION TAKEN WHICH COULD CONCEIVABLY JEOPARDIZE THE SECURITY OF THIS HIGHLY SENSITIVE INFORMANT.

b7D

- 1-Bureau (100-428091) (SOLO)
- 1-Bureau (105-40818) (TALANOV)
- 2-Bureau [redacted]
- 1-New York (105-14931) (TALANOV)
- 1-New York [redacted]
- 1-New York (Tickler)
- 1-New York

100-428091-  
NOT RECORDED

641 JUN 2 1967

*Rot [signature]*

b7D

TDJB:mjb  
(8)

JUN 5 9 21 AM '67

JUN 5 1967



6 JUN 6 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

NY 100-134673

On 4/11/67, source advised, during a discussion of KGB coordination of activities with the GRU, that while the "MARAT" operation is considered a very serious and responsible operation, no consultation was had with IVAN (P.) GLAZKOV, the GRU Resident in New York, in order to ascertain if the GRU was conducting an operation which would conflict with the "MARAT" operation.

Source pointed out that the "MARAT" operation, utilizing containers for the transmission of money and messages, was such a fast operation that even if there were GRU operations in the same area, there would be no conflict.

F B I  
**ROUTE IN ENVELOPE**  
Date: 5/16/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

**AIRTEL**

(Priority)

**TO : DIRECTOR, FBI (100-428091)**  
**FROM : SAC, CHICAGO (134-46 Sub B)**  
**SUBJECT: SOLO**  
**IS - C**

*B/20*  
*S-R [Signature]*  
*[Handwritten notes]*

Re Chicago airtel 2/10/67 and enclosed informant's statement captioned "DISCUSSION WITH REPRESENTATIVE OF THE SECURITY BRANCH, INTERNATIONAL DEPARTMENT, CENTRAL COMMITTEE, COMMUNIST PARTY OF THE SOVIET UNION, JANUARY, 1967," and New York airtel 2/13/67, both captioned as above.

Referenced Chicago airtel related to discussions held by a representative of the Security Branch, International Department, Central Committee, Communist Party (CP) of the Soviet Union, in the fall of 1966 with GUS HALL and the possible use of HALL's wife, ELIZABETH, at International Publishers to receive selected items and messages from the CP of the Soviet Union. Referenced New York airtel postponed utilization of ELIZABETH HALL for the noted purposes due to recent personnel changes at International Publishers.

*[Handwritten notes]*

On 5/10/67 CG 5824-S\* advised SAs RICHARD W. HANSEN and WALTER A. BOYLE that on 5/9/67 GUS HALL had advised that because of a changed situation at International Publishers, New York City, his wife could now be utilized by the Soviets in the manner discussed (see referenced Chicago airtel). HALL stated that CLARA COLON was now the

- 1-904 750*
- 1-d* 3 - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 1 - Chicago

*100-428091-6286*

RWH:mes  
(5)

**REC 2**

**EX-108**

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

**JUN 5 1967** Special Agent in Charge

CG 134-46 Sub B

receptionist at International Publishers and is a trusted person. No problems would, therefore, arise if the Russians should seek to contact his wife in the prescribed manner to deliver a message.

The foregoing information has been prepared for transmittal to the Soviets during the course of the next scheduled drop with them by NY 694-S\*.

5010-107-02  
UNITED STATES GOVERNMENT

# Memorandum

TO: DIRECTOR, FBI (100-428091)

DATE: 5/18/67

*MS*  
*SP*  
*SP*  
*SP*

FROM: SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO  
IS - C

~~TOP SECRET~~

Re Chicago airtel to Bureau dated 3/1/67 and Bureau letter to Chicago dated 3/10/67 concerning possible counterintelligence action against JAMES JACKSON. Referenced Chicago airtel recommended publicity through a prominent New York newspaper of JACKSON's numerous contacts with the Soviet United Nations Mission in New York City. Referenced Bureau letter advised that the Bureau agrees with the object of the Chicago suggestion but not the suggested method, and was carefully considering ways to accomplish this end.

*Let to CG 5/20/67*  
*R. P. [unclear]*

For the Bureau's assistance in the further consideration of proposed action against JACKSON, set forth herein are some additional observations concerning JACKSON's activities. CG 5824-S\* has recently advised that JACKSON's contacts with Soviet diplomatic establishments have not only continued but increased. As the Bureau is already aware, the Communist Party (CP) of the Soviet Union has requested the CP, USA to take steps to limit such activities by JACKSON, but his visits continue unabated. According to our informant, it has become well known to the entire CP, USA National Office leadership, even the girls who work in the office, that JACKSON has been visiting the Soviet United Nations Mission as many as three and four times a week. He is studying Russian and Spanish at the United Nations and is known to be constantly hanging around the United Nations Missions of Czechoslovakia, Bulgaria and other countries.

*R/S to CG & NY*  
*re Chicago airtel*  
*1-9-67*  
*ref [unclear]*

As previously reported in connection with GUS HALL's efforts to obtain an invitation to the recent Conference of European Communist and Workers Parties at Karlovy Vary,

- 1-904 94D
- 2 - Bureau (RM)
- 1 - New York (100-134637) (RM)
- 1 - Chicago

REC 6 100-428091-6287

*5-8*



WAB: Classified by 7157  
(4) Exempt from automatic declassification  
Date of Declassification Indefinite  
MAY 31 1967  
243  
REC'D

65 JUN 5 1967 Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

BEST COPY AVAILABLE

CG 134-46 Sub B

~~TOP SECRET~~

Czechoslovakia, JACKSON had gone to the Czech United Nations Mission in order to obtain some reply to HALL's written inquiry delivered to Prague during the first week of April, 1967, by NY 694-S\*. According to CG 5824-S\*, in connection with the recent departure for Moscow of the CP, USA May Day Delegation, JACKSON had taken most of the details of such arrangements away from HELEN WINTER and had himself actually travelled to Washington, D.C., to the Soviet Embassy in order to pick up the necessary visas for the delegation. Then he ran around to personally see each member of the delegation off for Moscow. Another public manifestation of JACKSON's international contacts was the public release to the press, printed in the New York Times, of JACKSON's "title" of Secretary of the International Affairs Department of the CP, USA.

As can be seen, JACKSON is beginning to take into his own hands a number of details connected with the Party's international contacts with which he was not formerly concerned, and this extends even to some rather petty details. It would seem that a situation may be rapidly developing where JACKSON in his quest for personal position may attempt to assume more of the matters which have heretofore been the exclusive province of the Solo operation. Counterintelligence action against JACKSON, although desirable per se, has now begun to assume the added aspect of a necessary step for the defense of the Solo operation itself.

Apropos of JACKSON's propensity to take his international title seriously, CG 5824-S\* has recently remarked on his efforts to travel to North Vietnam. As the Bureau is aware, JACKSON has received permission from the U.S. State Department to travel to Vietnam under the guise of his position as publisher of "The Worker." However, JACKSON is ironically now experiencing difficulties in obtaining permission from the CP of the Soviet Union and the CP of China to travel via those countries to Vietnam. In JACKSON's discussions with the Russians on this matter they have informed him that no one can get to Hanoi by travelling through Moscow because Peking has said that they will permit no one travelling via Moscow to pass through the People's Republic of China. JACKSON makes plain his disbelief of the Russians on this score and states that he knows for a fact that DAVE DELLINGER, Editor of "Liberation"

~~TOP SECRET~~

CG 134-46 Sub B

~~TOP SECRET~~

magazine, made arrangements in Paris with representatives of North Vietnam and the Soviet Union for a group he is organizing around the "National Guardian" to travel via Moscow and Peking to Hanoi. JACKSON cannot understand why these non-communists can get Chinese transit visas while he cannot. JACKSON is continuing his efforts to arrange such travel for himself and this includes future trips to Soviet diplomatic establishments in order to get the necessary permission to make such a trip. Failing these efforts, he has requested CG 5824-S\* to exercise his influence in Moscow to assure the success of JACKSON's proposed mission to Hanoi.

It would seem that JACKSON's repeated trips to the Soviet United Nations Mission in New York, his visits to the United Nations Missions of other socialist countries, and his visit to the Soviet Embassy in Washington, D.C., are apt targets of counterintelligence action. Publicity centered upon JACKSON as the go-between for the CP, USA and the Soviet Union, receiving orders from the Russians and other Parties of the international communist movement, flaunting his contacts arrogantly in view of the adverse court ruling on the legality of the McCarran Act, etc., could have a most salutary effect upon the integrity of the Solo operation as now constituted. Such an expose would almost surely kill any chance of JACKSON's replacing anyone engaged in the handling of confidential international matters because he would then be exposed and out in the open.

The above thoughts are set forth so these additional facts may be taken into consideration by the Bureau in its deliberations concerning possible counterintelligence action against JAMES JACKSON. It is also our purpose to inject into such deliberations the added concept that such action could act in a positive way for the good of the Solo operation, whereas permitting JACKSON to operate unchecked in this manner could have a deleterious effect on this operation. This office, therefore, desires to reiterate its request that such counterintelligence action as outlined in referenced Chicago airtel receive renewed consideration by the Bureau in light of these changed circumstances.

~~TOP SECRET~~



FOUNDED IN 1790

Date: 5/23/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-423091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO  
IS - C

*S. R. Johnson*

Re Chicago teletype 5/19/67.

Retel advised CG 5824-S\* departing for New York City 5/19/67 where he would assist NY 694-S\* as backup man for transfer of Solo funds from Soviets. Thereafter, CG 5824-S\* planned to proceed to Toronto, Ontario, for contact with WILLIAM KASHTAN, General Secretary, CP of Canada, and then to Montreal to seek housing for GUS HALL.

For the Bureau's information, CG 5824-S\* returned to Chicago during late PM 5/22/67. According to CG 5824-S\*, he has postponed travel to Canada temporarily. He advised he received word from WILLIAM KASHTAN that he would be out of Toronto over the week end of 5/19/67 through approximately 5/24 or 5/25/67. In view of the foregoing, source felt it logical to postpone the scheduled trip.

*W*  
3 - Bureau (RM)  
1 - New York (100-134637) (RM)  
1 - Chicago  
RMH:meb  
(5)

REC 6

*100-423091-6288*

*L. S. J.*

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

*673*  
*1037*

# ROUTE IN ENVELOPE

6/1/67

Airtel

1 - Mr. C. D. Brennan  
1 - Mr. R. C. Putnam

To: SACs, New York (100-134637)  
Chicago (134-46 Sub B)

From: Director, FBI (100-428091)

**SOLO**  
**INTERNAL SECURITY - COMMUNIST**

ReNYairtel 5/29/67 which states Gus Hall, General Secretary, Communist Party, USA (CPUSA), intends to take about one half million dollars out of Solo funds within a short period. In view of this development, New York and Chicago should immediately start preparations to remove all Solo funds into safe deposit boxes entirely controlled by them. Informants should retain custody of only limited amounts not exceeding \$10,000. Effective immediately, informants are not to issue Hall any Solo funds exceeding \$10,000 without prior Bureau authority. Request for such authorization is to be made in a manner contingent with urgency of the situation. Allow sufficient time for Bureau to fully consider all such requests.

This matter must be provided the closest possible attention and strictest supervision. New York and Chicago should immediately start devising ways and means to prevent Hall from obtaining custody of a large portion of Solo funds. In this regard, it is assumed we will have the full cooperation of our informants. Submit recommendations to Bureau prior to instituting any action on withholding funds from Hall.

Consideration should also be given to possible action to be instituted in the event it becomes impossible to prevent Hall from obtaining a large portion of Solo funds. This should be considered in the light of counterintelligence activity possibly through liaison with Internal Revenue Service, local and state tax authorities, and the like. No action is to be instituted without prior Bureau authority.

MAILED 25  
MAY 31 1967  
COMM. FBI

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

RCP:dmk  
(7) *emb2*

EX-113

REC 54

100-428091-6289

6 JUN 1 1967

SEE NOTE PAGE TWO

MAIL ROOM  TELETYPE UNIT

Airtel to New York and Chicago  
RE: SOLO  
100-428091

NOTE:

Soviets recently delivered \$530,000 to NY 694-S\* for use of CPUSA. When NY 694-S\* advised Hall of the receipt and the fact that approximately one and one half million dollars was available, according to NY 694-S\*, Hall noted that maintaining custody of such a sum was a burden on the informants (NY 694-S\* and CG 5824-S\* maintain these funds in safety deposit boxes largely controlled by our New York and Chicago Offices). According to the informant, Hall indicated that within a short period he would take about a half million dollars from the informants. Realizing there were very few people he could trust besides our informants, Hall was not certain how he would arrange custody of these funds. Instructions set out above are necessary to provide for any eventuality and to insure strictest possible control is maintained these funds.

~~CONFIDENTIAL~~

# ROUTE IN ENVELOPE

The Attorney General

May 31, 1967

Director, FBI

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Liaison
- 1 - Mr. R. C. Putnam

FOREIGN POLICY AND THE SOVIET UNION

A source who has furnished reliable information in the past has prepared a lengthy document regarding the foreign policy of the Union of Soviet Socialist Republics. A memorandum summarizing the high lights of the document is attached along with a copy of the complete document for your attention.

This information is also being furnished to Mrs. Mildred Stegall for the information of the President. Upon removal of the classified enclosures, this letter of transmittal may be declassified.

### Enclosures

100-428091

RCP:dmk  
(8)

### NOTE:

See memorandum C. D. Brennan to W. C. Sullivan, dated 5/26/67, captioned "Solo, Internal Security - Communist," prepared by RCP:dmk.

*Rec'd*  
*W*  
*W*

MAILED 2  
JUN 1 1967  
COMM-FBI

EX-103  
REC-8 / 100-428091-6290

JUN 1 1967

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

65 JUN 6 1967

MAIL ROOM  TELETYPE UNIT

~~CONFIDENTIAL~~  
GROUP 1 EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND  
DECLASSIFICATION

*WCS*

*SW*

**ROUTE IN ENVELOPE**

Date: 5/15/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*SM* (lost)

*S-R [unclear]*  
*[unclear]*  
*[unclear]*

Re Chicago airtel dated 2/10/67 and enclosed letterhead memorandum (LHM) captioned "PEGGY DENNIS, NEWLY DESIGNATED REPRESENTATIVE OF THE COMMUNIST PARTY, USA, TO THE 'WORLD MARXIST REVIEW,' PRAGUE, CZECHOSLOVAKIA."

Enclosed herewith for the Bureau are the original and three copies, and for the New York Office one copy, of an LHM entitled "'WORLD MARXIST REVIEW,' PRAGUE, CZECHOSLOVAKIA."

The information set forth in the enclosed LHM was orally furnished by CG 5824-S\* on 5/10 and 11/67 to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

The enclosed LHM is classified ~~SECRET~~ since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source who is furnishing information on the highest level concerning the international communist movement, and thus adversely affecting the national security.

In order to further protect the identity of this source, the enclosed LHM has been shown as being prepared at Washington, D.C.

*Left to Stab, CIA & Hoagson  
5/19/67  
RCP: dmk*

*[unclear]*  
*[unclear]*

- 1-904 80-D [unclear] [unclear] [unclear]
- 3 - Bureau (Encls. 4) (RM)
- 1 - New York (100-134637) (Encl. 1) (Info) (RM)
- 1 - Chicago

X-103

100-428091-6291

RWH:mes  
(5)

REC 31

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 JUN 6 1967  
Special Agent in Charge

CG 134-46 Sub B

The information set forth in the enclosed LHM  
has been previously disseminated by separate communication  
to San Francisco.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Chicago, Illinois

May 15, 1967

In Reply, Please Refer to  
File No.

~~SECRET~~

"WORLD MARXIST REVIEW,"  
PRAGUE, CZECHOSLOVAKIA

A source, who has furnished reliable information in the past, in early May, 1967, advised as follows:

A number of months ago it was reported that a decision had been made by the Communist Party (CP), USA to send Peggy Dennis, a staff member of the "Peoples World," San Francisco, California, a West Coast communist publication, to Prague, Czechoslovakia, to serve on the staff of the "World Marxist Review," official organ of the international communist movement. At that time it was indicated that Dennis would take over the assigned duties in Prague in approximately late March or early April, 1967.

It now has been learned that Dennis, after initially accepting her appointment and setting a tentative date for proceeding to Prague, has now decided to reject the offer for a staff position on the "World Marxist Review" and will not travel to Prague, Czechoslovakia.

Peggy Dennis is the widow of Eugene Dennis, former General Secretary, CP, USA, and is [redacted] of Timur Timofeev, an important member of the CP of the Soviet Union and current Director of an important CP of the Soviet Union Party institution in Moscow, USSR, known as the Institute of International Labor Movement.

b6  
b7c

This document contains neither recommendations nor conclusions of the Federal Bureau of Investigation. It is the property of the Federal Bureau of Investigation and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~SECRET~~

Group 1

~~Excluded from automatic  
downgrading and  
declassification~~

100 - 423091-637

ENCLOSURE

# ROUTE IN ENVELOPE

Date: 5/26/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
IS-C

*C.D. Brennan*  
*S. Putnam*

ReNYairtel, 5/17/67, concerning possible indictments in the current SEC investigation of stock manipulations on the American Stock Exchange.

*R/S to New York Chicago re classification 10/22/76*

The NYO has been advised that, according to SEC attorney [redacted] three witnesses in the current SEC investigation--not otherwise identified--have stated that "there is hood money in the Lincolnwood Bank in Chicago." As a result, intensive investigation is being conducted to ascertain whether this is so.

[redacted] advised that there would be no indictments on 5/26/67, but he gave no indication as to when indictments might be handed down.

NY 694-S\* advises that, according to CG 5824-S\*, on 5/25/67, [redacted] former President of the Lincolnwood Bank, deposed by IRVING PROJANSKY, Bank Chairman, when the latter learned that [redacted] was involving the bank in manipulations with outside "fast guys," made a threat that he would "get CHILDS yet" (referring to CG 5824-S\*).

PROJANSKY, at the time, did not disclose the real reason for dismissing [redacted] fearing that to do so would militate against the interest of the bank.

- 1 - Bureau (RM)
- 1 - Chicago (134-46-Sub B)(AM RM)
- 1 - NY 134-91 (INV)(41)
- 1 - NY 100-134637 (41)

*100-428091-6292*

ACB:msb  
(7)

EX-103  
REC 37

JUN 2 1967

Classified by *7339*  
Exempt from automatic declassification  
Date of Declassification Indefinite

Approved: *[Signature]*  
Special Agent in Charge

Sent \_\_\_\_\_ M Per *[Signature]*



~~TOP SECRET~~

NY 100-134637

Further, as reported to NY 694-S\* by CG 5824-S\*, although [redacted] is one of the original group who had borrowed money to purchase Lincolnwood Bank stock, his records have not been subpoenaed as were records of seven other purchasers of the stock, including NY 694-S\* and CG 5824-S\*. In view of [redacted] bank records not having been subpoenaed, and in view of his having gone to Europe--apparently without interference on the part of the Government--CG 5824-S\* believes [redacted] may appear as a Government witness, and make good his threat against CG 5824-S\*.

b6  
b7c

Also, according to CG 5824-S\*, SEC witness [redacted] [redacted] one of the "fast guys," was physically ejected from the bank by PROJANSKY, and at the time made the threat to PROJANSKY, "I will get you." According to CG 5824-S\*, "getting PROJANSKY" is tantamount to "getting CHILDS."

b6  
b7c

By reason of the above-described situation, CG 5824-S\* and NY 694-S\* believe that, despite their own innocence in this matter, they can become victims of newspaper articles linking "hoods and Reds," as a result of which their usefulness to the Government could come to an end.

The above submitted for the information of the Bureau and Chicago.

~~TOP SECRET~~  
-2-

**ROUTE IN ENVELOPE**  
Date: 5/25/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS - C

*S-R [Signature]*

Re previous correspondence concerning investigation by Securities and Exchange Commission and office of the United States Attorney, Southern District of New York, into alleged manipulation of the stock market.

The Bureau and New York were previously advised that IRVING PROJANSKY, brother-in-law of CG 5824-S\*, was scheduled to appear in New York City (without subpoena) for an interview on 5/23/67 with AUSA [redacted]. Further, a subpoena was received by [redacted] Counsel for the First National Bank of Lincolnwood, to appear in New York City on 5/22/67 with the bank records relating to eight or nine individuals, including the records of CG 5824-S\*, CG 6653-S and NY 694-S\*.

Prior to departing for Canada, CG 5824-S\* advised that he had learned that neither PROJANSKY [redacted] had gone to New York as scheduled. The precise reason for the postponement of PROJANSKY's interview was not revealed to CG 5824-S\*, but he had learned that [redacted] had postponed his trip because of the fact that he had numerous prior commitments and court appearances which precluded such a trip

*R/S to New York + Chicago re classification 10/22/76 jmo*

- ③ - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 1 - Chicago

*100-428091-6293*

WAB:mes  
(5)

6 JUN 2 1967

EX-103  
FC 31

Classified by 7339

Approved: *[Signature]*  
Special Agent in Charge  
65 JUN 6

Sent \_\_\_\_\_ M Per *[Signature]*  
Date of Declassification Indefinite

b6  
b7C

b6  
b7C

CG 134-46 Sub B

~~TOP SECRET~~

at that time. The new date of his appearance is not known at this time. CG 5824-S\* surmises that PROJANSKY's trip was postponed so that the AUSA will have an opportunity to inspect the records furnished by [redacted] before interviewing PROJANSKY. The Bureau will be advised at such time as additional information regarding this matter is developed.

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b7C

CG 5824-S\* has also advised that he has learned the following from [redacted] some time ago he was approached by [redacted] the former president of the Lincolnwood Bank who was subsequently fired by PROJANSKY, and [redacted] told [redacted] that he knew something which is "very shocking" about CG 5824-S\*. [redacted] stated that he was not interested in any gossip that [redacted] had about CG 5824-S\*, and therefore he walked away from [redacted] without finding out what it is that [redacted] considered "very shocking." There is no way of knowing to whom else [redacted] may have made such an approach or told whatever it is he considers so shocking. It is noted that [redacted] is a life long resident of Chicago and may well be aware from past publicity of the communist affiliations of CG 5824-S\*. If this is so, it is also possible that both the Securities and Exchange Commission and the AUSA may also be aware of our informant's communist connections.

b6  
b7C

The above information is submitted for information purposes. The Bureau and New York will be kept advised of further developments.

~~TOP SECRET~~

# ROUTE IN ENVELOPE

Date: 5/29/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, NEW YORK (100-134637)  
SUBJECT: SOLO  
IS-C

*S-R.P. [Signature]*

On 5/26/67, NY 694-S\* furnished the following information:

On 5/25/67, he conferred with GUS HALL, advising the latter that he had received \$530,000.00 from the Soviets, \$30,000.00 of which was intended for JESSICA SMITH and her publication. HALL stated he was very much relieved to learn that the money had arrived since he is aware of the fact that there is considerable deterioration in the USA in Russian intelligence. HALL stated that he had feared that the money might not become available for some time.

*ATTN: Office  
6/1/67  
Rev. [Signature]*

HALL said that in view of the fact that the money is now available, the Party already has ordered an off-set printing press--costing \$70,000.00--from the firm of Miehle-Goss in Chicago. This press is a speed printing press and will be used not only in the publication of the planned new daily paper, but also in the publication of the "Morning Freiheit."

HALL and the informant discussed the matter of CG 5824-S\* and NY 694-S\* being custodians of almost a million and a half dollars. HALL stated that he realized that the custody of so much money is becoming an increasing burden to the said informants, and said that he intended to take about half a million dollars of this money within a short period. He stated that since there are very few people he can trust besides the informants, he is not certain how he will arrange the custody

- ③ 1-9149-3
- ③ - Bureau (RM) *1cc C. D. Brunner*
- 1 - Chicago (134-46-Sub B) (AM RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 100-134637 (41)

*100-428091-629 4*

REC 31 JUN 3 1967

ACB:msb

(7)

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_

65 JUN 6 1967 Special Agent in Charge

NY 100-134637

of the aforesaid half a million dollars.

HALL further stated that he hoped to eventually utilize about one million dollars of SOLO funds for the maintenance of the new daily paper.

He further stated that he had been considerably shaken at the news of the recent defection of the Hungarian functionary in Washington, D. C. He stated that for almost four years this individual had made attempts to socialize with him and that LOUIS WEINSTOCK had repeatedly to have HALL meet this individual.

HALL said that this matter had so annoyed him that he gave strict orders in the National Office of the CPUSA that in the future no foreign dignitaries were to be put in contact with him unless they had official instructions from their governments to contact HALL. He told the members of the CPUSA Secretariat that in the future they should stay away from these "damn Embassies" unless authorized by him to go there. He told the members of the Secretariat that the Embassy people were taking advantage of them and gave them nothing.

Mentioning JAMES JACKSON, HALL stated that "JACKSON is frustrated, mixed up and won't be too long Chairman of the International Commission of the CPUSA."

OPTIONAL FORM NO. 10  
MAY 1962 EDITION  
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT **ROUTE IN ENVELOPE**  
*Memorandum*

TO : DIRECTOR, FBI (100-428091)

DATE: 5/29/67

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO  
IS - C

*S-11 [Signature]*

Re Chicago airtel dated 5/16/67.

Referenced Chicago airtel set forth the contents of a communication prepared by CG 5821-S\* and sent via a Toronto mail drop to WILLIAM KASHTAN, General Secretary, Communist Party (CP) of Canada.

On May 18, 1967, CG 5824-S\* advised SAs RICHARD W. HANSEN and WALTER A. BOYLE that he had received the following response from KASHTAN which had been sent to the "Mrs. LYDIA WHITE, Suite 918, 25 East Washington Street, Chicago 2, Illinois," Solo mail drop maintained by CG 5824-S\*. The text of the message reads as follows:

"May 16th. 1967

"Dear Michael:

"Thanks very much for your note which I received today. As it happens the wife and I were talking about dropping you a note regarding our summer plans and the possibility of taking in the Expo together. Now that you may be around we can chat about that.

"Will advise the people concerned regarding your friend Carl.

- 1-964 9+D
- 2 - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 1 - Chicago

RWH:mcs  
(4)

REC 31

*100-428091-6295*



65 JUN 6 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

CG 134-46 Sub B

"I expect to be around here pretty well over the next few weeks. As it happens the wife and I are moving to new quarters but that won't be until the middle of June. In the meantime home or office will get me.

"All the best, as ever,

"B"

In connection with the above, KASHTAN's reference to "our summer plans" relates to his earlier suggestion that he and CG 5824-S\* and their respective wives jointly visit Expo 67 during the summer of 1967 in Montreal. KASHTAN's reference to "CARL" refers to CARL LEICHTMAN of New York, whom GUS HALL, General Secretary, CP, USA, desires to tour CP of Canada printing facilities.

UNITED STATES GOVERNMENT

ROUTE IN ENVELOPE

Memorandum

TO : DIRECTOR, FBI (100-423091)

DATE: 5/29/67

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO  
IS - C

S-R [Handwritten signature]

Re Chicago letter dated 3/9/67.

Referenced letter set forth information that on March 3, 1967, CG 5824-S\* had purchased, utilizing Communist Party (CP), USA funds, a 1965 Mustang convertible for ARVO HALL, son of GUS HALL, General secretary, CP, USA.

On March 31, 1967, when returning to the University of Colorado, Boulder, Colorado, [redacted] stopped over in Chicago and took possession of the 1965 Mustang convertible. While en route to Boulder, [redacted] encountered considerable mechanical difficulty with the vehicle, probably resulting from his own failures, which resulted in several hundred dollars worth of engine repairs being needed. En route to Boulder [redacted] communicated his problems to [redacted] in New York City and CG 5824-S\* subsequently received instructions to reimburse [redacted] for such expenses. Later, GUS HALL instructed CG 5824-S\* to see what could be done to put the 1965 Mustang back into first class operating condition and/or whether such vehicle might be turned in on a purchase of another car.

b6  
b7C

Based on HALL's instructions, CG 5824-S\* contacted the dealer from whom the original Mustang had been purchased and this dealer agreed to make all necessary repairs if it could be found that the defect had been covered by warranty or he would allow a full refund of the original purchase price if it were applied to a new car. The dealer also arranged to have a mechanic proceed to Denver, Colorado, to check [redacted] vehicle and bring it back to Chicago if necessary.

b6  
b7C

- 1-904 940
- 2 - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 2 - Chicago
- 1 - 134-46 Sub F

EX-103

100-423091-6296

REC 31

JUN 2 1967

RWH:mes  
(5)



55 JUN 16 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



CG 134-46 Sub B

When the matter was subsequently discussed with HALL, he suggested that a small new car be purchased, and that the Mustang be turned back to the dealer. Accordingly, in mid April a new 1967 Ford Fairlane, maroon in color, was purchased and order placed for future delivery. The additional monies needed for the purchase of this vehicle amounted to \$935.34, which was taken from CP, USA funds. This vehicle was delivered by the factory to the dealer, Sherman Ford, Chicago, in late April and on May 5, 1967, GUS HALL was advised. On May 11, 1967, ELIZABETH HALL, wife of GUS HALL, came to Chicago by plane from New York City to pick up the new car for [redacted] and drove it to Boulder, Colorado, where she presented it to [redacted] on May 13, 1967.

b6  
b7c

Extreme caution must be utilized in connection with the above transaction as its details regarding this matter are limited to the source and members of HALL's immediate family. Any publicity on this matter could seriously jeopardize this source.

# ROUTE IN ENVOPE

Date: 5/29/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM : SAC, CHICAGO (134-46 Sub B)  
SUBJECT: SOLO  
IS C

*5-R-200*

On 5/25/67 there was received through the LYDIA WHITE drop address in Chicago a letter to CG 5824-S\* dated 5/23/67 from WILLIAM KASHTAN, General Secretary of the Communist Party (CP) of Canada. Set forth below is the text of this letter.

"Just started to write this when your two latest notes arrived. The reason for writing is as follows: we decided rather hurriedly that I go out West for a week dealing with the Gordon position on Vietnam and further US escalation. I shall be leaving for the West May 30th and be returning on June 5th. Hope this does not further complicate your problem. Anytime before the 30th and following June 5th is alright with me.

"As far as I know I shall be around during the dates you asked me about. In fact I'll make a note of them and see they are kept open.

- 1-904 9+D*
- ③ - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 1 - Chicago

*100-428091-6297*

WAB:mes  
(5)

REC-31

Approved: *[Signature]* Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

65 JUN 6 1967

CG 134-46 Sub B

"Tentatively, apart from the above, the wife and I were hoping to take our vacation the first few weeks of July and go down to Expo during that time. I hope you and Lydia are still interested.

"Held a good confab with some of our young people. Makes one feel somewhat ancient.

"all the best,

"as ever,

"B.

"PS. Sent a note to Alf re the bulletin."

In the letter set forth above, KASHTAN makes reference to "your two latest notes." This is in reference to a letter transmitting copies of the "Tri-Continental Information Center Bulletin" to KASHTAN, information concerning which appears in Chicago letter to the Bureau dated 5/19/67 captioned "Tri-Continental Information Center, IS - C;" and to a note from CG 5824-S\* to KASHTAN dated 5/17/67, the contents of which are set forth below:

"Just a note to inquire whether you are in a position to possibly give me an idea where you might be situated between the dates of August 21-September 11. Herb (GUS HALL) has indicated that he might want to come up your way about that time. If you can possibly do so, could you let Lydia (CG 5824-S\*) know."

KASHTAN's letter was for the dual purpose of informing CG 5824-S\* that he would be available between 8/21 and 9/11/67 to meet with GUS HALL, and further that he would not be available during the period 5/30 to 6/5/67,

BEST COPY AVAILABLE

CG 134-46 Sub B

since he was aware that CG 5824-S\* expected to visit Canada shortly for the purpose of conferring with KASHTAN.

In KASHEAN's note the reference to "ES. Sent a note to Alf re the bulletin," is to ALF DEMOURST, representative of the CP of Canada to the "World Marxist Review" in Prague, Czechoslovakia, to whom copies of the "Tri-Continental Information Center Bulletin" were also sent, as set forth in the above mentioned Chicago letter dated 5/19/67.

~~CONFIDENTIAL~~

# ROUTE IN ENVELOPE

May 31, 1967

BY LIAISON

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Liaison
- 1 - Mr. R. C. Putnam

Mrs. Mildred Stegall  
The White House  
Washington, D.C.

Dear Mrs. Stegall:

A source who has furnished reliable information in the past has prepared a lengthy document regarding the foreign policy of the Union of Soviet Socialist Republics. A memorandum summarizing the high lights of the document is attached along with a copy of the complete document for the information of the President.

This information is also being furnished other interested officials of the Government. Upon the removal of the classified enclosures, this letter of transmittal may be declassified.

Sincerely yours,

Delivered to Mildred Stegall  
on 6-1-67

Enclosures

100-428091

RCP:dmk

(7)

REC 31

SEE NOTE PAGE TWO

~~CONFIDENTIAL~~

GROUP 1

~~Excluded from automatic  
downgrading and  
declassification~~

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

MAIL ROOM

TELETYPE UNIT

100-428091-6298

JUN 2 1967

*Handwritten notes:*  
RCP  
dmc

*Handwritten notes:*  
JUN 31 5 23 67

*Handwritten initials:* Lye 90

*Handwritten notes:*  
JUN 11 11 30 AM '67

~~CONFIDENTIAL~~

Mrs. Mildred Stegall

NOTE:

See memorandum C. D. Brennan to W. C. Sullivan,  
captioned "Solo, Internal Security - Communist," dated  
5/26/67, prepared by RCP:dmk.

~~CONFIDENTIAL~~

# ROUTE IN ENVELOPE

5/26/67

CODE

1 - Mr. R. H. Horner

TELETYPE

URGENT

SENT BY CODED TELETYPE

TO SAC CHICAGO (134-46 SUB B)

FROM DIRECTOR, FBI (100-428091) 6299

**REC-9** INTERNAL SECURITY - COMMUNIST.

REURTEL MAY TWENTY-FIVE LAST.

AUTHORITY GRANTED TO ADVANCE CG FIVE EIGHT TWO FOUR -S ASTERISK AN AMOUNT UP TO TWO HUNDRED FORTY-THREE DOLLARS FOR NECESSARY EXPENSES INVOLVING TRIP TO CANADA. INSURE THAT INFORMANT EXERCISES ALL POSSIBLE PRECAUTIONS TO AVOID JEOPARDIZING HIS SECURITY. NO INFORMATION AVAILABLE TENDING TO MITIGATE AGAINST HIS TRAVEL AT THIS TIME. UPON INFORMANT'S RETURN SUBMIT PERTINENT INFORMATION IN FORM SUITABLE FOR DISSEMINATION TO STATE DEPARTMENT, CENTRAL INTELLIGENCE AGENCY, AND  b7D

M. F. Row (6221 IB)

NOTE:

TELETYPE UNIT  
MAY 26 1967  
50908. D  
ENCODED MESSAGE

By Butel 5/16/67, Chicago was previously authorized to advance CG 5824-S\* \$410 for necessary expenses involved in taking a trip to Canada and New York City beginning 5/17/67. This trip, to be made on instructions of Gus Hall, was for the purpose of contacting William Kashtan, General Secretary, CP of Canada, to arrange a meeting between Kashtan and Hall in mid-August, 1967, and to arrange housing for Hall and family to attend Expo '67. Kashtan, however, was unavailable for contact on 5/17/67, forcing CG 5824-S\* to cancel trip. ReCGtel relates Kashtan is now available for interview by

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

RHH:dmk  
(4)

NOTE CONTINUED PAGE TWO

65 JUN 6 1967

MAIL ROOM TELETYPE UNIT

INITIALED  
DIRECTOR'S OFFICE

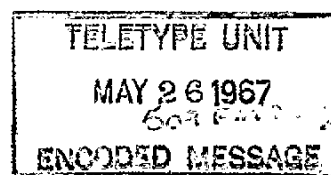
*Handwritten initials and signatures:* [illegible], [illegible], [illegible]

TELETYPE TO CHICAGO  
RE: SOLO  
100-428091

NOTE CONTINUED:

CG 5824-S\* who is to proceed with the above plan commencing 5/26/67. Since he is going only to Canada from Chicago, his allowable expenses have been reduced to \$243 as follows: mileage : by POA, 1,100 miles at \$88; lodging three nights, \$75; food and miscellaneous, \$80. Teletype being used in view of necessity for CG 5824-S\* to commence trip 5/26/67.

- 2 -





Tolson \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Wick \_\_\_\_\_  
 Casper \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 Felt \_\_\_\_\_  
 Gale \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

*ROUTE IN ENVELOPE*  
**DECODED COPY**

AIRGRAM    CABLEGRAM    RADIO    TELETYPE

120PM URGENT 5-25-67 PAK

TO DIRECTOR  
 FROM CHICAGO 251627

*Ch. Sullivan*  
*Sullivan*

**SOLO.** IS-C.

REBUTEL MAY 16 LAST AND MYAIRTEL MAY 23 LAST.

CG 5824-S\* RECEIVED INFORMATION THIS DATE FROM WILLIAM KASHTAN, GENERAL SECRETARY OF CP OF CANADA, THAT HE IS AVAILABLE FOR CONTACT AT TORONTO UNTIL MAY 30 NEXT WHEN DEPARTING FOR TOUR OF WESTERN CANADA. AS RESULT, SOURCE AND WIFE CONTEMPLATE DEPARTING FOR TORONTO MAY 26 NEXT FOR MEETING WITH KASHTAN. SOURCE WOULD UTILIZE POA AND SPEND APPROXIMATELY 3-4 DAYS IN CANADA. DEPENDING ON CONVERSATION, WOULD DECIDE IF TRIP TO MONTREAL WARRANTED OR IF ARRANGEMENTS REQUESTED BY HALL COULD BE HANDLED BY CP OF CANADA, THROUGH TORONTO.

EXPENSE ESTIMATED FOR TRIP \$243 AND ITEMIZED AS FOLLOWS:  
 USE OF POA 1,100 MILES AT EIGHT CENTS, \$88; THREE NIGHTS  
 LODGING FOR TWO \$75; FOOD, COMMUNICATIONS, TIPS, ETC. \$80.

*MR*

BUREAU REQUESTED TO SUTEL AUTHORITY TO ADVANCE ABOVE

*REC-9*  
*100-428091-6299*

**REC-9**

*100-428091-6299*

6 JUN 5 1967

*100 904940*

*Sullivan*

Tolson \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Wick \_\_\_\_\_  
 Casper \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 Felt \_\_\_\_\_  
 Gale \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

# DECODED COPY

AIRGRAM     CABLEGRAM     RADIO     TELETYPE

PAGE TWO FROM CHICAGO 251627

AMOUNT. PREVIOUS AUTHORITY TO ADVANCE \$410 AUTHORIZATION IN RETEL NOT UTILIZED DUE TO FACT TOTAL TRIP NOT UNDERTAKEN.

IF SCHEDULED TRIP MATERIALIZES, SOURCE WOULD EXERCISE ALL POSSIBLE PRECAUTION TO AVOID JEOPARDIZING SECURITY. IN SAME CONNECTION, BUREAU REQUESTED TO ADVISE IF ANY NEW CIRCUMSTANCES EXIST MITIGATING AGAINST SUCH TRAVEL. ALL PERTINENT INFORMATION RECEIVED WILL BE PLACED IN FORM SUITABLE FOR DISSEMINATION.

RECEIVED: 2:37PM MLT

~~CONFIDENTIAL~~

# ROUTE IN ENVELOPE

May 31, 1967

BY LIAISON

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Liaison
- 1 - Mr. R. C. Putnam

4  
NV

(9/10)

Honorable Richard Helms  
Director  
Central Intelligence Agency  
Washington, D.C.

Dear Mr. Helms:

A source who has furnished reliable information in the past has prepared a lengthy document regarding the foreign policy of the Union of Soviet Socialist Republics. A memorandum summarizing the high lights of the document is attached along with a copy of the complete document for your information.

This information is also being furnished to Mrs. Mildred Stegall for the information of the President. Upon removal of the classified enclosures, this letter of transmittal may be declassified.

Sincerely yours,

Enclosures

100-428091

RCP:dmk

(7)

6 JUN 2 1967

SEE NOTE PAGE TWO

REC-8 100-428091-6300

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

~~CONFIDENTIAL~~

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

~~CONFIDENTIAL~~

Honorable Richard Helms

NOTE:

See memorandum C. D. Brennan to W. C. Sullivan,  
captioned "Solo, Internal Security - Communist," dated  
5/26/67, prepared by RCP:dmk.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

# ROUTE IN ENVELOPE

May 31, 1967

BY LIAISON

- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. C. D. Brennan
- 1 - Liaison
- 1 - Mr. R. C. Putnam

*Solo*

Honorable Dean Rusk  
The Secretary of State  
Washington, D.C.

Dear Mr. Rusk:

A source who has furnished reliable information in the past has prepared a lengthy document regarding the foreign policy of the Union of Soviet Socialist Republics. A memorandum summarizing the high lights of the document is attached along with a copy of the complete document for your information.

This information is also being furnished to Mrs. Mildred Stegall for the information of the President. Upon removal of the classified enclosures, this letter of transmittal may be declassified.

Sincerely yours,

*100/110  
Seg: 0/SEEY. State 6/2/67*

b6  
b7c

Enclosures

100-428091

RCP:dmk  
(7)

REC-8

*100-428091-6301*

EX-104

6 JUN 5 1967

SEE NOTE PAGE TWO

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

~~CONFIDENTIAL~~

GROUP 1

~~Excluded from automatic  
downgrading and  
declassification~~

*100-428091-6301  
B  
31*

*AS  
OK  
100/110*

65 JUN 6 1967

MAIL ROOM

TELETYPE UNIT

~~CONFIDENTIAL~~

Honorable Dean Rusk

NOTE:

See memorandum C. D. Brennan to W. C. Sullivan,  
captioned "Solo, Internal Security - Communist," dated  
5/26/67, prepared by RCP:dmk.

~~CONFIDENTIAL~~

UNITED STATES GOVERNMENT

*97*  
**Memorandum ROUTE IN ENVELOPE**

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. Conrad *MC*

DATE: May 31, 1967

FROM : C. F. Downing

SUBJECT: SOLO  
INTERNAL SECURITY - C

*10/1/67*  
*C. Putnam*

Captioned case involves the Bureau's highly valuable confidential informant NY 694-S\* who has been receiving communications transmitted to him by radio.

On 5/31/67, transmissions were heard by the Bureau's radio station at Midland at which time a message, NR 421 GR 89, was intercepted.

The plain text and cipher text are attached.

The New York Office is aware of the contents.

**ACTION:**

For information.

Enclosure

*ENCLOSURE*

- 1 - Mr. Conrad
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. R. C. Putnam)
- 1 - Mr. Downing
- 1 - Mr. Newpher
- 1 - Mr. Paddock

*HS:drv*  
*(7)*  
*W*

REC-8 100-471071-6302

6 JUN 5 1967

EX-104

65 JUN 5 1967

/31/67

05/31/67

NR 0421 GR 089

41869 46008 32760 64172 92640 84588 73523 10687 55500 31809  
 73671 50720 73867 75438 93843 84486 14839 48317 49832 53240  
 72793 43143 14051 86744 96408 20761 89562 36474 13792 25563  
 11917 10484 34924 78091 06138 00044 62975 90479 68772 55540  
 18862 65579 43969 97020 32043 29858 56863 95290 15465 66002  
 12227 67773 15869 69097 63865 37868 55444 36275 63397 55544  
 18565 93507 18079 80145 70709 93007 87809 87617 06754 25111  
 05990 11885 44885 74605 32518 83369 14557 17308 37542 07293  
 36482 08025 37933 09724 99959 52475 48476 69903 30463

NR 0421 GR 089

05/31/67

FOR BIRCH. #1# WE NEED COMPLETE MEDICAL HISTORY OF JAMES  
 JAMES PIKE # PIKE TO TAKE DECISION ON HIS CAPT ONEST. #2# LUG  
 GAGE FOR DISKIN # DISKIN AND TWIG # TWIG AND THEIR WIVES IS REA  
 D FOR PICKUP IN WASHINGTON. #3# SPEED LIST OF COVE CITIZEN  
 S PARTICIPANTS OF OCTOBER REVOLUTION AND CIVIL WAR. PLEAS  
 E CONFIRM BY PHONE AT #1705# PM.

100-425071-6502  
 ENCLOSURE



# ROUTE IN ENVELOPE

F B I

Date: 5/31/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED MAIL  
(Priority)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO  
IS-C

ReButel 5/27/67 to Chicago, Miami, and New York captioned, "Communist Party, USA, International Relations, IS-C" requesting information relative to the attitude of the CP, USA and the CP of Canada regarding the current crisis in the Middle East.

Enclosed herewith for the Bureau are the original and three copies and for the New York Office one copy of a letterhead memorandum entitled, "Communist Party, USA - International Relations; Internal Security - C."

The information set forth in the enclosed letterhead memorandum was orally furnished by CG 5824-S\* during the period 5/29-31/67 to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

The enclosed letterhead memorandum is classified "~~SECRET~~" since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source who is furnishing information on the highest levels concerning the international communist movement, and thus adversely affect the national security.

In order to further protect the identity of this source, the enclosed letterhead memorandum has been shown as being prepared at Washington, D.C.

- 3-Bureau (Enc. 8) (RM)
- 1-New York (100-134637) (Enc. 2) (Info) (RM)
- 1-Chicago

SEARCHED \_\_\_\_\_  
 SERIALIZED \_\_\_\_\_  
 INDEXED \_\_\_\_\_  
 FILED \_\_\_\_\_  
 JUNE 1 1967  
 FBI - CHICAGO

AGENCY State, CIA, Memphis, OSI, OSI, HCS  
 DATE FORW. 6-2-67  
 RECV FORW. 7/12  
 BY PH/AM

WAB:MB  
 (5)  
 Approved: \_\_\_\_\_  
 Special Agent in Charge

54 JUN 9 1967

Sent 6 JUL 6 1967 Per \_\_\_\_\_

CG 134-46 Sub B

The information in the enclosed letterhead memorandum relative to the attitude of the CP of Canada was obtained by CG 5824-S\* in Toronto, Canada, during the period 5/26-29/67 in conversations with WILLIAM KASHTAN, General Secretary of the CP of Canada. Information relative to the position of the CP, USA was obtained by the source in conversation on 5/29 and 31/67 with JACK KLING, Organization Secretary of the Illinois District and member of the National Committee and National Executive Board, CP, USA.



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

Washington, D. C.

May 31, 1967

~~SECRET~~

COMMUNIST PARTY, USA - INTERNATIONAL RELATIONS  
INTERNAL SECURITY - C

During May, 1967, a source, who has furnished reliable information in the past, advised as follows:

During May, 1967, at the time of the current confrontation between the State of Israel and the Arab world, aggravated by the blockade of the Gulf of Aqaba, the position of the Communist Party of Canada (CPC) was expressed to be as follows by William Kashtan, General Secretary of the CPC:

The position of the CPC echoes the line of the Communist Party of the Soviet Union which has its most recent extended exposition in the form of an article appearing in the April, 1967, issue of the "World Marxist Review" ("Problems of Peace and Socialism"), the official theoretical organ of the international communist movement headquartered at Prague, Czechoslovakia. This article is entitled, "Present Developments in Israel," authored by Meir Vilner, member of the Political Bureau and Secretariat of the Central Committee of the Communist Party of Israel (Pro-Arab). A copy of this article is attached hereto.

Kashtan noted that the position of the CPC is embodied in an editorial prepared for inclusion in the May 29, 1967, issue of "The Canadian Tribune," the weekly newspaper of the CPC. In brief, the CPC expresses itself as against aggression by any

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~SECRET~~

Group 1  
excluded from automatic  
downgrading and  
declassification

Attachment

100-425091-6303

ENCLOSURE

COMMUNIST PARTY, USA -  
INTERNATIONAL RELATIONS

~~SECRET~~

nation. However, in the Mideastern crisis, the CPC characterizes Israel as the tool of the United States and Great Britain and thus follows an aggressive policy in lending itself to any imperialist scheme for the benefit of the United States, Great Britain, and France.

It has also been learned that the position of the Communist Party, USA (CP, USA) toward the Israel-Arab dispute is similar to the position of the CPC. The CP, USA will probably make a flat statement against all aggression by any nation but will stress that the most important movement is the anti-imperialist movement. The position of the CP, USA is that the Arab world has been mistreated and exploited, and United States imperialism is the most important culprit in this exploitation. However, the CP, USA position has been further complicated by developing problems in the peace movement and among Jewish ethnic groups. According to a leading spokesman for the CP, USA, one peace committee (not further identified) has adopted a resolution demanding not only a halt in the bombing by the USA of North Vietnam but at the same time calling for the bombing of Egypt to open the blockade of the Gulf of Aqaba. Leading people in the peace movement and in the Jewish organizations are demanding that the CP, USA issue a forthright statement against the blockade and aggression of Egypt. In spite of these pressures, the CP, USA will probably issue a statement conforming to the position set forth above.

~~SECRET~~

# Present developments in Israel

M. VILNER

ISRAEL IS CONSTANTLY IN the world headlines. The Security Council discusses the consequences arising from the Israeli-Arab conflict much more frequently than it does any other problem. What is the background to this?

## 1. THE BALANCE OF POLITICAL FORCES

The general election held in Israel in November 1965 was won by the main government list, the so-called "alignment" list composed of the MAPAI and Ahdut Avoda parties, which represent the Zionist Right Social Democracy headed by Prime Minister Eshkol. This list succeeded in electing 45 members to the Knesset, and together with associated Arab lists is represented by 49 members. Altogether there are 120 members in the Knesset.

Electors voted for this list not so much from conviction but because they were against RAFI, the D. Ben Gurion list, which was favored by the military extremists. The Ben Gurion list won a mere ten seats. Yet, together with the twenty-six GAHAL members (Right bourgeois bloc) it is a fairly powerful Rightist opposition exerting considerable pressure and influencing government policy.

The pressure of the Right is strong because of the weakness of the Left opposition consisting of five members. The Left was weakened when MAPAM (Zionist Socialist Party) swung to the Right and, notwithstanding the opposition of many of its members, unconditionally entered the government coalition. The coalition government headed by Eshkol is composed of the alignment list, MAPAM, the National Religious Party and the Independent Liberal Party.

This political map of Israel finds its expression in the policy of the Government.

Nevertheless the balance of forces in Parliament does not reflect the aspirations of the masses. Many voters did not vote for the Eshkol ruling party to enable the government

to proceed with the anti-people and anti-national policy of his predecessors.

Although for a time the Eshkol government used a new tone in its public statements, it soon became clear that it was following the old pattern and even strengthening its contacts with the imperialist powers, particularly with the USA and West Germany. The ruling circles are ever ready to render the traditional services to the Western powers against the anti-imperialist movements in the Arab countries, to serve neo-colonialism in Africa and Asia and to join in the global slander campaign against the Soviet Union and the other socialist countries.

In consideration of these "good services" and other things, a stream of capital from the West, mainly from the USA and West Germany, is pouring into the country.

The capital received via the reparation treaty with the neo-Nazis in Bonn, and the American credits, the policy of leasing special privileged rights to foreign capital investments, while helping to expand the capitalist economy in Israel, especially in agriculture, light industry, defense industry and in building, have at the same time resulted in economic deficiencies that constitute a real danger. The economy resembles a great body standing on the legs of a chicken and liable to collapse at any moment.

This flow of foreign capital into Israel during the nineteen years of its existence, relatively greater than the flow of foreign capital into any other capitalist country, has not led to strengthening our economic independence. On the contrary, it has made the economy of Israel and its security increasingly dependent on foreign monopolies and on the imperialist powers.

Here are some examples.

In 1965 the deficit in the balance of payments amounted to 485 million dollars.\* An-

\*Official Government Statistics 1956.

100-421-71-6303  
ENCLOSURE

nual deficits of half a billion dollars have become the accepted thing in recent years.

The sum of 809 million Israeli Liras,\*\* 17.6 per cent of all the 1966/67 State Budget, is spent on payments for paying external and internal debts. About 40 per cent of the State Budget is allocated, as the Prime Minister himself declared, to overt and covert military expenditure. Expenditure for military purposes and payments on debts totals 57 per cent of the Budget.

This has led to a still greater dependence on foreign capital; it necessitates acceptance of new enslaving loans from abroad amounting to 623 million Liras; to this should be added the 500 million Liras in new internal loans. According to the 1966 budget, State loans will exceed the sum of six billion Liras, a colossal sum for a small country.

The 1966/67 budget is the most reactionary budget in the history of Israel. The development budget has been cut by 121 million Liras. Allocations for housing, too, have been severely cut, notwithstanding the growing need for more homes.

Finance Minister Saphir, actually admitted in his Knesset speech that the government policy had been unsuccessful and had no perspective. "The trend in the deficit of the balance of payments," he said, "is on the increase."

Thus Government policy is causing grave damage to the country. Economic dependence has reached a level which endangers the entire economy.

The machinery and raw materials needed by industry, the equipment needed by our agriculture, fuel supplies and even bread are almost entirely imported.

Instead of changing this policy the new government is continuing it, trying to solve its economic difficulties by a call to the working people to tighten their belts, by strengthening its contacts with the European Common Market, and especially with West Germany, to say nothing of the close tie-up with the U.S. monopolies. West German investments in Israel, which in 1965 were four times the 1964 figure are still rising.

The Government tries to justify the decline in the working people's standard of living by saying that the living standard in Israel is "very high"; they lump together different strata of the people and their standards of living. Official statistics, however, clarify the matter. We give here statistics which were published by the Histadrut, the General Federation of Labor, which is headed by the ruling MAPAI party:

\*\*Three Israeli Liras=one dollar.

	Monthly wages		Percentage of working People
up to	200	I.L.	18.6
	201-300		12.4
	301-400		12.0
	401-500		12.4
	501-600		14.8
	601-700		7.7
	701-800		4.2
	801-900		4.2
	901 and upwards		13.7

As the table shows, 31 per cent of the working people receive less than 300 I.L. a month, 43 per cent receive less than 400, 55.4 per cent less than 500, and 70.2 per cent less than 600 a month. These wages are regarded in fact as being low in view of the high prices charged for consumer goods.

It is important to note that the above figures are gross incomes, i.e., before the deduction of income tax, national insurance, municipal taxes and Histadrut dues.

The Communists insist on the monthly gross income of I.L. 600 being free of income tax, considering this sum the minimum subsistence income for a family of four.

Moreover, unemployment is rising. The Finance Minister did not deny this in his Budget speech. He mentioned the figure of 100 thousand redundant workers out of a total of 900 thousand.

In September 1966 the official figure of unemployed reached 35,000; in reality it is higher.

The policy of national discrimination against Arabs in Israel, who form 12 per cent of the population, continues notwithstanding the fact that wide circles of Israeli public opinion are against this policy. In the Arab areas a special rule has been established, according to which the freedom of movement and residence of Arabs in these areas is restricted. Expropriation of the land of the Arab peasantry also continues. Discrimination is clearly expressed in the State Budget. Here are a few examples.

The housing budget allocates only 2.5 per cent to house building in Arab villages. The health budget of 151 million I.L. allocates only 30 thousand I.L. for health services for the Arabs. According to official statistics about 55 per cent of the Arab population still lives in houses without electric light.

These facts reflect the official line of a short-sighted policy which runs counter to the national interests of the Israeli people.

## 2. THE WORKING CLASS FIGHTING FOR ITS RIGHTS

The Israeli working class and the working people generally have displayed their diligence and initiative in a big way; they have demonstrated militancy in upholding their rights and interests against the onslaught of the capitalists. The year 1965 was a year of big class actions the importance of which goes far beyond the economic sphere. Workers in industry and in agriculture, brain workers and other strata learned how to consolidate their ranks in the struggles and overcome party and ideological differences.

An interesting fact is that while the leaders of the ruling parties vote in the Knesset with the Government for anti-labor laws and the budget, for raising taxes and prices, and for cutting social services, the rank and file members of their parties are organizing action in their work places against government policy and submit their demands to the private and government employers as well as to Histadrut and the Jewish Agency. The workers are organizing strikes on a large scale.

The Federation of Labor (Histadrut) is a big organization of great potential strength. But the Right leadership of the Histadrut acts as a rule as the helpmate of the government, and sees its task in retarding the struggle and in working for class peace.

This explains why most of the strikes are organized by the workers themselves at the point of production through their shop committees or through special action committees elected in the course of the concrete struggle.

Most of the strikes are described as "wild-cat strikes," since they take place against the will of the Histadrut leaders.

Here is the official table of strikes in Israel issued in 1966 by the Ministry of Labor:

ALL STRIKES		
	1964	1965
No. of strikes	132	275
No. of strikers	43,630	93,366
Working days lost	95,584	203,452
STRIKES RECOGNIZED BY HISTADRUT		
No. of strikes	46	66
No. of strikers	8,358	8,033
Working days lost	29,636	23,139
STRIKES NOT RECOGNIZED BY HISTADRUT		
No. of strikes	86	209
No. of strikers	35,272	85,333
Working days lost	65,948	180,313

This table shows first of all that in 1965 the working-class struggle gained in intensity. Second, the percentage of strikes not recognized by the Histadrut leadership is rising steadily (56 per cent in 1963, 65 per cent

in 1964, and 76 per cent in 1965). Nearly all the main strikes, in which most of the days were lost, were not recognized by the Histadrut leadership.

In 1965, 91.4 per cent of all strikers downed tools without the approval of the Histadrut leaders.

Another wave of strikes took place in 1966. The government retaliated with a Knesset motion for a law restricting the right to strike and curtailing other union rights.

However, the working class is fighting against the draft law.

It is clear that the antagonisms between the working people and the Right leadership of the Histadrut are deepening; this gives the perspective of changing the leadership of Histadrut and transforming that body into a militant class organization.

## 3. FOREIGN POLICY AND ISRAELI-ARAB RELATIONS

The home policy of the Government is, as we have seen, reactionary; its foreign policy is clearly pro-imperialist.

On the occasion of the tenth anniversary of the infamous aggression against Egypt, Mr. Abba Eban, the Foreign Minister, in an interview with *Jerusalem Post* (28. 10. 1966) claimed that the Sinai campaign had yielded "beneficial results." "The Sinai war," he added, "never made a permanent harmful impact on our relations with the U.S., quite the opposite. The last years of the Eisenhower administration were very harmonious. They increased their aid and began to discuss Middle East affairs and world affairs with us, with an intimacy that has grown ever since."

The truth is that this intimacy between our ruling circles and American imperialism is expressed in more than one sphere, whether related to Israel directly or indirectly. The performance of Foreign Minister Eban during the last session of the UN General Assembly, especially his virtual support for the U.S. aggression in Vietnam, is proof of this intimacy.

Moreover, characteristic of the attitude of the ruling circles to Vietnam was the letter of David Hacohen, Chairman of the Foreign and Security Knesset Committee, published in the semi-official daily *Davar* on May 24, 1966. In this letter Hacohen stated: "The defeat of the U.S. in Vietnam would be the beginning of the end of the independence of all the peoples of Southeast Asia, and the dead end of the independence and freedom of man all over the world."

Again symptomatic of this policy is the Government's closer relations with Bonn. Without

national dignity and responsibility, the ruling circles have strengthened relations with the heirs of Hitler in West Germany. At the same time Foreign Minister Eban found it appropriate to launch an attack on the Democratic Republic of Germany in the Knesset.

The pro-imperialist policy becomes even more dangerous when it serves organically the imperialist designs in the Near East, to which Israel belongs.

Thus the Eshkol Government persists in its obdurate rejection of any proposal to denuclearize the Near East. The Prime Minister found it necessary to declare to *Davar* on April 4, 1966, that the position of the Great Powers who oppose the spread of nuclear weapons "is not moral and not straightforward."

However, the Israeli Communists see one of their main tasks in mobilization of public opinion in support of denuclearizing our region.

While in the past the U.S. refrained from supplying Israel with arms directly, and chose to do so through West Germany and other NATO states, it changed its attitude shortly after the establishment of the new regime in Syria. With great publicity the U.S. provided the Eshkol Government with Sky Hawk bombers.

The Communists in the Knesset denounced this U.S. arms transaction and the U.S. intrigues against the anti-imperialist regime in Syria.

The danger of Israeli involvement in this imperialist intrigue against Syria gained momentum when the Prime Minister bluntly announced in the Knesset on October 16, 1966 that his Government would take military action against Syria on the basis of "self-defense." Only the three Communist members in the Knesset voted against this resolution and two members abstained.

Recognizing the danger facing the country and the people, the Israeli Communists have more than once pointed to the danger of direct military intervention in Syria on the part of Israel. They have stressed that the real interests of the Israeli people, the interest of Israel's future demand that Israel stand by the Arab people against imperialism, not with imperialism against the Arab people. Mass meetings were held throughout the country under the slogan "We don't want another Sinai."

At the same time the Communists denounced the terrorist activities of AL FATAH and the declarations against the right of Israel to an existence, declarations used by imperialism and Israeli reactionaries as pretexts for their aggressive designs.

The Israeli Communists refute the argument that the Soviet attitude to our regional questions runs counter to the interests of the people of Israel. The Soviet attitude serves the cause of peace in our region; and whatever serves this cause corresponds with the best national interests of the peoples of Israel and the Arab countries.

*Davar* of October 17, 1966 quoted Prime Minister Eshkol as saying: "The clear-cut stand of the Soviet Union behind the Government of Syria created a difficult political situation vis-à-vis any Israeli retaliatory action on the military plane."

Thus, it is an excellent service to the peoples concerned, among them the Israeli people, that the Soviet stand obstructs military aggression and saves peace.

In various circles an awareness that the old policy has failed is beginning to crystallize. At the beginning of 1966, after the general election, 20 members of the CC of MAPAM voted against continued participation by their party in the government coalition.

Throughout Israel effective solidarity demonstrations with the people of Vietnam were held. The Israeli Peace Committee, in which our Party is active in a united front with other political parties and public figures, is rallying mass support for funds to provide the people of Vietnam with medical aid.

Wide sectors of public opinion oppose the Government policy of closer relations with Hitler's heirs in Bonn, and in the mass activities against this policy the Communists were in the forefront.

\* \* \*

We believe that the Arab-Israeli conflict can be solved peacefully in the interests of the peoples concerned. Imperialism and local reactionaries are interested in an Israeli-Arab war. The Palestine question and the Israeli-Arab dispute can be solved by eliminating imperialist intervention and by Israel's recognition of the national rights of the Palestine Arab people, and above all, of the right of the Arab refugees to choose between return to their homeland and compensation in accordance with the U.N. resolutions. This would pave the way for the recognition of Israel and its national rights by the Arab states.

The Communists in Israel are working to establish a united workers' front and a national democratic front in order to bring about a change in government policy, i.e., for a policy of peace, independence from imperialism, neutrality, friendship with the Soviet Union and the other socialist countries, democracy, peoples' fraternity and social progress.



The Communists see in Jewish-Arab unity in their ranks the bright prospect of the future Israeli-Arab relations in the Near East, freed from imperialist intervention, from national oppression and class exploitation.

All the difficulties notwithstanding, we are convinced that in the course of time there will appear in Israel a new correlation of forces that will lead to a government of peace and national independence.

## Strikes

THE FIRST THREE MONTHS of 1967 were marked by class actions by the international proletariat.

**SPAIN.** Practically throughout January and February there were strikes and demonstrations in different parts of the country. Notable among these was the demonstration of 100,000 workers in Madrid on January 27, and the strike declared by 20,000 miners of Asturias on February 1.

**ITALY.** A wave of strikes swept Italy during January and February. Tens of thousands of railwaymen struck work for higher wages and observance of trade union rights. The same demands were advanced by miners, maritime transport workers and civil servants and by 350,000 textile workers who declared a nationwide strike on March 15.

**GREECE.** On February 1, over 100,000 workers participated in a 24-hour general strike in Salonika, the second largest industrial city in Greece; the strikers demanded higher wages and democracy in the country. Three days later, 150,000 civil servants declared a 24-hour strike. On March 16, 180,000 building workers downed tools.

**FRANCE.** The greater part of the country was paralyzed by a general strike on February

1. The strikers demanded wage increases and shorter hours. On March 16, over 200,000 vine-growers demonstrated in the South of the country.

**INDIA.** January-February were marked by bitter strike actions by civil servants in a number of states.

**ARGENTINA.** Two hundred thousand railwaymen held a 3-hour strike on February 25. On March 1, the workers, undaunted by the government's threat of reprisals, declared a 24-hour general strike. One of the biggest in recent years, it was held in protest against the economic and social policy of the authorities.

**URUGUAY.** On February 1, 200,000 civil servants called a 48-hour strike, demanding salary increases. On February 25, life in the capital, Montevideo, was brought to a standstill by a general strike of 450,000 workers in support of the rights of the public health workers.

**USA.** On January 29, 4,000 tug-boat crews in New York port struck work, demanding higher wages and better conditions.

**AUSTRALIA.** The general strike of Australian airlines personnel which began on March 7, closed all airports in the country for several days.

# ROUTE IN ENVELOPE

Date: 5/31/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-428091) *JFL*

FROM: SAC, NEW YORK (100-134637)

SUBJECT: <sup>C</sup> SOLO  
IS-C

*S. K. ...  
The ...  
For ...  
...*

On 5/31/67, there was received from the Soviets by way of radio a partially coded, ciphered message, the plaintext of which is as follows:

"For Gus Hall:

"#1. We need complete medical history of JAMES PEAKE to take decision on his coming to USSR.

"#2. Visas for LOU DISKIN and WILL WEINSTONE and their wives are ready for pick up in Washington. *We have some ...*

"#3. Speed list of U.S. citizens - participants of October Revolution and civil war.

"Please confirm by phone at 1705 PM."

- 3 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46-SUB B) (AM RM)
- 1 - New York (134-91) (INV) (41)
- 1 - New York (100-134637) (41)

*EX-112*

JFL:gmd

(7)

*[Handwritten signature]*

**REC-9**

*100-428091-6304*

6 JUN 6 1967

**56 JUN 9 1967**

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

# ROUTE IN ENVELOPE

SAC, Chicago (134-46 Sub B)

6/6/67

Director, FBI (100-428091)

PERSONAL ATTENTION

- 1 - Mr. C. D. Brennan
- 1 - Mr. R. C. Putnam

**SOLO**

**INTERNAL SECURITY - COMMUNIST**

Over a period of several years there has been considerable correspondence under various captions relating to the problem of locating a replacement for CG 5824-S\*. To date, no appreciable results have been obtained. Therefore, in order to afford this vital matter the meticulous attention it deserves, the following instructions are being placed into effect.

- (1) By 6/30/67 you are to submit a concise, succinct summary of all steps taken to develop a suitable replacement for CG 5824-S\* during the month of June, 1967.
- (2) At the same time you are to set forth additional activity to be undertaken during July, 1967, to attain the same end.
- (3) Similar communications are to be submitted monthly until instructions to the contrary are issued by the Bureau.

MAILED 2  
JUN 6 1967  
COMM-FBI

These communications are not to be wordy documents of explanation but factual descriptions of results obtained. Assign sufficient competent personnel to this project to insure it is afforded continuous, imaginative, aggressive attention.

**NOTE:** Plagued by problems of ill health and advancing years, CG 5824-S\* must be replaced or the Solo Operation will come to an end, at least from the political intelligence standpoint. The problem of locating suitable replacement has received attention in the past under various captions. The program set forth above should insure this matter is given the proper guidance both in the field and at the Seat of Government.

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Wick \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

RCP:dmk

(5)

REC-14 100-428091-6305

JUN 6 1967

EX-104

MAIL ROOM

TELETYPE UNIT

# ROUTE IN ENVELOPE

4/1

SAC, Chicago (134-46 Sub B)

6/7/67

Director, FBI (100-428091)

1 - Mr. R. C. Putnam

SOLO

INTERNAL SECURITY - COMMUNIST

Enclosed is a self-explanatory letter from the Central Intelligence Agency (CIA). Immediately contact CG 5824-S\* for any information source may have regarding individuals named on pages two and three. Submit results in form suitable for dissemination under caption of CIA letter.

New York refer to request of CIA set forth in last paragraph of page three. Check indices and submit pertinent data in form suitable for dissemination to CIA under caption of enclosed letter. Copies of photographs of individuals mentioned on pages two and three which are available in your office should be forwarded to the Bureau for transmittal to CIA.

Enclosure

2 - New York (100-134637) (Enclosure)

RCP:dmk  
(6) *dmk*

NOTE:

By separate letter CIA has been advised that information contained in Bureau letters dated 11/29/65, 11/10/66, 1/3/67, and 2/28/67 cannot be downgraded from "~~Top Secret~~" classification.

*Handwritten mark*

MAILED 3  
JUN 6 - 1967  
COMM-FBI

REC 18

EX-100

100-428091-6306

6 JUN 6 1967

- Tolson \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Mohr \_\_\_\_\_
- Wick \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- e.s. \_\_\_\_\_
- G. J. G. \_\_\_\_\_

*Handwritten initials*

MAIL ROOM  TELETYPE UNIT

UNITED STATES

AGENT ROUTE IN ENVELOPE

# Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 6/5/67

FROM : SAC, NEW YORK (100-134637-SUB A)

SUBJECT: SOLO  
IS-C

Remylet, 5/5/67.

The records of the New York Office indicate the following transactions regarding SOLO Funds from 5/1/67 through 5/31/67.

5/1/67 On hand as of 4/30/67 \$844,367.03

Credits

5/20/67 Received from the Soviets \$530,000.00  
Total \$1,374,367.03

Debits

5/5/67 To CG 5824-S\* for GUS HALL. \$ 10,000.00  
This money to be used for CP expenses and activities.

5/5/67 Rent for Safe Deposit Box #53, 57.75  
Chemical Bank-New York Trust Company, 67 Broad Street, New York, New York. (Rental from 4/13/67 to 4/13/68).

5/5/67 Ticket purchase price for NY 694-S\* 526.30  
SOLO trip in April, 1967.

EX 109 5/25/67 To NY 694-S\* for GUS HALL. Part \$ 50,000.00  
of this money to be used for CP Youth activities and the rest for CP expenses and activities.

1091 Total 6307 \$ 60,584.05

REC 31

- 2 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46-SUB F) (RM)
- 1 - New York (134-91) (INV) (41)
- 1 - New York (100-128861-SUB B) (CPUSA-RESERVE FUNDS) (41)
- 1 - New York (100-134637-SUB A) (41)

6 JUN 8 1967

JFL:gmd  
(6)

5-11



NY 100-134637-SUB A

Balance

Sum of Amount on Hand and Credit	\$1,374,367.03
Less Debits	60,584.05
Total on Hand as of 5/31/67	<u>\$1,313,782.98</u>

LOCATION OF SOLO FUNDS - NEW YORK OFFICE TERRITORY:

Maintained by NY 694-S\*

Safe Deposit Box, Chemical Bank-New York Trust Company, 67 Broad Street, New York, New York.	\$ 110,000.00
--	---------------

JACK BROOKS Regular Checking Account, Chemical Bank-New York Trust Company, 20 Pine Street, New York, New York.	
Account No. 1 (001-228919)	28,259.28
Account No. 2 (001-232835)	32,345.92
Account No. 3 (001-237942)	48,677.78

NY 694-S* Personal Checking Account, Chemical Bank-New York Trust Company, 67 Broad Street, New York, New York.	4,000.00
---	----------

Maintained by NYC - FBI

Safe deposit boxes, Manufacturers Hanover Trust Company, 69th Street and Third Avenue, New York, New York.	<u>\$1,090,500.00</u>
--	-----------------------

Total as of 5/31/67	\$1,313,782.98
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**ROUTE IN ENVELOPE**

F B I

Date: 5/31/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED MAIL  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
FROM: SAC, CHICAGO (134-46 Sub B)

SOLO  
IS-C

*[Handwritten notes and signatures in the right margin]*

Enclosed for the Bureau are the original and three copies and for the New York Office one copy of a letterhead memorandum entitled, "NORMAN FREED, COMMUNIST PARTY OF CANADA."

The information appearing in the enclosed letterhead memorandum was orally furnished 5/29/67 by CG 5824-S\* to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

~~SECRET~~ The enclosed letterhead memorandum is classified since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source who is furnishing information on the highest levels concerning the international communist movement, and thus adversely affect the national security.

In order to further protect the identity of this source, the enclosed letterhead memorandum has been shown as being prepared at Washington, D.C.

This information was obtained by CG 5824-S\* during the period 5/26-29/67 in conversation with NORMAN FREED, National Educational Director and member of the National Executive Committee of the CP of Canada, in Toronto, Canada.

- 100-428091-96474
- (3)-Bureau (Enc. 4)-(RM)
- 1-New York (100-134637) (Enc. 1) (Info) (RM)
- 1-Chicago
- WAB:MDW
- (5)

100-428091-6308

REC 31

6 JUN 8 1967

Approved: [Signature] Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

65 JUN 11 1967



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

Washington, D. C.

May 31, 1967

~~SECRET~~

NORMAN FREED, COMMUNIST PARTY OF CANADA

During May, 1967, a source, who has furnished reliable information in the past, advised as follows:

It was recently learned that the Communist Party of Bulgaria (CPB) had invited a representative of the Communist Party of Canada (CPC) to visit Bulgaria during the Summer of 1967 for purposes of rest and vacation. The CPC has designated Norman Freed and his wife to avail themselves of this opportunity for a vacation and they expect to leave about July 3 or 4, 1967. They anticipate spending about one month vacationing at Varna, Bulgaria, which is a resort area on the Black Sea. At this time, Freed does not intend to visit the USSR while abroad but has expressed the intention to stop at Prague, Czechoslovakia, and in Great Britain on his way back to Canada.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~SECRET~~

Group 1  
excluded from automatic  
downgrading and  
declassification

100-428091-6308  
CONFIDENTIAL



UNITED STATES GOVERNMENT

# Memorandum ROUTE IN ENVELOPE

TO : DIRECTOR, FBI (100-428091)

DATE: 6/1/67

FROM: SAC, CHICAGO (134-46 Sub F)

SUBJECT: SOLO  
IS - C

*S. R. [Signature]*

Re Bureau letter dated 5/4/60 and Chicago letter dated 5/3/67.

Referenced Bureau letter instructed the Chicago Office to set forth on a monthly basis an accounting of all receipts and disbursements of Solo and Communist Party (CP), USA reserve funds in possession of CG 5824-S\*. Set forth below is an accounting of such funds for May, 1967.

Balance of Funds in Possession  
of CG 5824-S\* as of May 1, 1967

Solo

Maintained in cash in  
safe deposit box,  
Michigan Avenue National  
Bank, Chicago, Illinois \$125,472.99

CP, USA Reserve Funds

None

Additions

Solo and CP, USA Reserve  
Funds

None

**REC 31**

6 JUN 7 1967

*6309*

- 1-904 910*
- ② - Bureau (RM)
- 2 - New York (RM)
- 1 - 100-134637 (SOLO)
- 1 - 100-128861 (CP, USA - RESERVE FUNDS)
- 1 - Chicago

*S. R.*

RWH:mes  
(5)

65 JUN 12 1967

BEST COPY AVAILABLE

CG 134-46 Sub F

Disbursements

Solo

On May 1, 1967, to CG 5824-S* as reimbursement for money spent on behalf of or on instructions of GUS HALL, General Secretary, CP, USA, at New York City, April 28-29, 1967	\$186.00
On May 1, 1967, as reimbursement to CG 5824-S* for books purchased on behalf of CP, USA and/or GUS HALL at Modern Book Store, Chicago	\$20.00
On May 3, 1967, to CG 5824-S* as repayment of cash outlays and gifts for JENNY WINSTON, Chairman, CP, USA	\$35.00
On May 4, 1967, to MAX WEINSTEIN, an individual involved in CP, USA financial matters for salary	\$300.00
On May 6, 1967, as reimbursement to CG 5824-S* for cash previously paid out to [REDACTED] GUS HALL, on latter's instructions	\$500.00
On May 9, 1967, to CG 5824-S* as reimbursement for money paid out as purchase price of wearing apparel purchased by GUS HALL in New York City. Wearing apparel consisted of two suits, coat, shirts and other wardrobe items	\$567.00

b6  
b7c

CG 134-46 Sub F

On May 11, 1967, to  
CG 5824-S\* as reimbursement  
for money expended for and on  
behalf of GUS HALL and [redacted] b6  
[redacted] including meals, b7C  
transportation and liquor, plus  
gifts, etc., for HALL [redacted]  
and [redacted] and travel to  
New Haven, Connecticut \$149.00

On May 11, 1967, paid as cost  
after trade-in of 1965 Ford b6  
Mustang convertible on new 1967 b7C  
two door Fairlane sedan  
purchased for [redacted] and  
secured from Sherman Ford,  
Chicago. Car purchased on  
specific orders of GUS HALL \$935.34

On May 17, 1967, as  
reimbursement to CG 5824-S\*  
of money paid out for the travel  
of ELIZABETH HALL by car to Denver, b6  
Colorado, to deliver 1967 Ford b7C  
Fairlane to [redacted] This cost  
includes gas, oil, food, four  
nights lodging and return first  
class air fare from Denver to  
New York City \$219.00

On May 19, 1967, as purchase  
price for two pair new shoes  
for GUS HALL \$41.10

On May 26, 1967, to JACK  
KLING, leading functionary,  
CP of Illinois, for Party  
expenses \$200.00

Total disbursements \$3,152.44

CG 134-46 Sub F

Balance of Funds in  
Possession of CG 5824-S\*  
as of May 31, 1967

Solo

Maintained in cash  
in safe deposit box,  
Michigan Avenue National  
Bank, Chicago, Illinois

\$122,320.55

CP, USA Reserve Funds

None

ROUTE IN ENVELOPE  
FBI

Date: 6/1/67

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

Via AIRTEL REGISTERED MAIL  
(Priority)

TO : DIRECTOR, FBI (100-428091)  
  
FROM: SAC, CHICAGO (134-46 Sub B)  
  
SOLO  
IS-C

*2/21*  
*S-R. [unclear] (lost)*  
*Py [unclear]*  
*[unclear]*  
*[unclear]*  
*[unclear]*

ReCGairtel to Bureau dated 4/10/67 and enclosed informant's statement captioned, "Discussions With William Kashtan, General Secretary, and Norman Freed, Educational Director, Communist Party of Canada, at Toronto, Canada, March 27 Through 28, 1967."

Enclosed herewith for the Bureau are the original and three copies and for New York one copy of a letterhead memorandum entitled, "Joint School for Youth to be Conducted by Communist Party of Canada and Communist Party, USA."

The information appearing in the enclosed letterhead memorandum was orally furnished by CG 5824-S\* during the period 5/29-31/67 to SAs RICHARD W. HANSEN and WALTER A. BOYLE.

The enclosed letterhead memorandum is classified "~~CONFIDENTIAL~~" since unauthorized disclosure of the information set forth therein could reasonably result in the identification of this source who is furnishing information on the highest levels concerning the international communist movement, and thus adversely affect the national security.

1-904  
3-Bureau (Enc. 4) (RM) *1-904-1054*  
1-New York (100-134637) (Enc. 1) (Info) (RM)  
1-Chicago  
WAB:MDW  
(5)

**REC 31**

**6 JUN 8 1967**

*Lead to [unclear] ...  
C.C.O. of [unclear] to State & CIA ...*

Approved: [Signature] Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

65 JUN 12 1967

CG 134-46 Sub B

In order to further protect the identity of this source, the enclosed letterhead memorandum has been shown as being prepared at Washington, D.C.

The information set forth in the enclosed letterhead memorandum was obtained by CG 5824-S\* in conversation during the period 5/26/67 to 5/29/67 in Toronto, Canada, with WILLIAM KASHTAN, General Secretary of the CP of Canada.



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

Washington, D. C.

June 1, 1967

~~CONFIDENTIAL~~

JOINT SCHOOL FOR YOUTH TO BE CONDUCTED BY  
COMMUNIST PARTY OF CANADA AND COMMUNIST  
PARTY, USA

During May, 1967, a source, who has furnished reliable information in the past, advised as follows:

It was recently learned that the Communist Party of Canada (CPC) plans to conduct a joint training school for youth together with the Communist Party, USA (CP, USA) during the period August 19 through September 1, 1967. The site of this school, which until recently had been planned for Montreal, Canada, has now been moved to Toronto, Canada, since a suitable location for the school could not be secured in Montreal. The CPC is holding about ten places open in the school for students from the CP, USA. As to instructors for the school, it is known that the CPC wishes the CP, USA to be represented, but the Educational Director of the CP, USA, Hyman Lumer, has made known his view that unless official Canadian Government approval can be secured for entry of CP, USA officials into Canada for this purpose, it would be undesirable for the CP, USA to provide any instructors.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~CONFIDENTIAL~~

Group 1  
~~excluded from automatic  
downgrading and  
declassification~~

100-2131091-6310

ENCLOSURE